

EXTENSIONS OF REMARKS

AMBASSADOR WOLFF JOINS THE BOARD OF TRUSTEES OF THE MONTEREY INSTITUTE OF INTERNATIONAL STUDIES

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PANETTA. Mr. Speaker, Ambassador Alan William Wolff, who served as the U.S. Deputy Representative for Trade Negotiations from 1977 to 1979, presented some very thoughtful remarks entitled "Constructing a New U.S. Trade Policy" to the Economic Strategy Institute of Washington, DC, on October 5, 1992. I have attached a copy of his remarks for the benefit of my colleagues.

I am very pleased to note that Ambassador Wolff, currently serving as the managing partner of the Washington, DC, office of Dewey Ballantine and the coauthor of "Conflict Among Nations—Trade Policies in the 1990's," has agreed to join the board of trustees of the Monterey Institute of International Studies.

Ambassador Wolff's unique trade knowledge and experience will be of great help to the Monterey Institute as it enhances its academic programs designed to prepare individuals to help our Nation meet the fierce economic and trade challenges confronting us in the years ahead.

The remarks of Ambassador Wolff follow:

CONSTRUCTING A NEW U.S. TRADE POLICY
(Remarks of Alan William Wolff)

FREE TRADE VERSUS PROTECTIONISM

All trade policy practitioners, those who make policy and those who seek to affect decisions, know that "free trade" and "protectionism" is a false dichotomy. Likewise, despite the efforts of the Bush Campaign, the 1992 election is not a choice between "free trade" and "protectionism." In a speech at Georgetown University, Bill Clinton stated:

"The American people aren't protectionists. Protectionism is just a fancy word for giving up; we want to compete and win."

Thus, both candidates have called for a successful conclusion of the Uruguay Round of multilateral trade negotiations. Those who address trade issues in either campaign assert that their candidate believes that the Uruguay Round has the potential to help U.S. companies by lowering tariff and non-tariff barriers, strengthening the global protection of intellectual property, and maintaining effective disciplines against unfair trade practices.

Nor is trade policy an issue that has divided the two political parties in the post-war period. There is a long Democratic tradition of support for open trade. It was Franklin Roosevelt who put an end to the era of Smoot-Hawley tariffs; President Truman who helped rebuild Europe and the international trading system; and Presidents Kennedy, Johnson, and Carter who made multilateral trade negotiations a top priority.

ity. But significant efforts were made in Republican Administrations as well, with the Tokyo Round and the Uruguay Round both initiated in Republican Administrations.

THE REAL ISSUE IN 1992

The real issue in 1992 is how to revitalize the American economy, create jobs, and ensure a higher standard of living for our children. Clearly, America's recent economic performance has been disappointing. In the last four years, we've had the slowest rate of economic growth since Herbert Hoover, and America has lost 1.3 million manufacturing jobs since January 1989. Our long-term performance has also been disappointing. If the United States enjoyed the same rate of productivity growth in the 1970's and 1980's that we did in the 1950's and 1960's, median family income would be \$47,000 instead of \$35,000.

Most of the answer to the problems affecting America's competitiveness rests upon the vitality of the private sector. To meet the challenges of global economic competition, U.S. firms must expand employee involvement, continually improve the quality of their products, and forge better relationships with their customers and suppliers. But government can play a constructive role by creating an environment in which American workers and American firms can compete and win. Our government's economic strategy must include:

1. The creation of a national apprenticeship program to offer non-college bound students training in a marketable skill;
2. Investment in our Nation's infrastructure—not only in roads and bridges but in high-speed rail and information superhighways;
3. Tax incentives to spur private sector investment in R&D and new plant and equipment;
4. Initiatives to accelerate the commercialization of new products; and
5. A sensible fiscal policy that attacks the federal budget deficit.

A TRADE POLICY FOR THE 1990'S

Since today's discussion is not about worker training or infrastructure or technology policy, I would like to discuss ways in which the conduct of U.S. trade policy can and should be improved. This exercise is not intended to be a polemic against the Reagan-Bush record. In fairness, much of my criticism would apply equally to previous Administrations, including the four in which I served. But there is a difference. Times have changed. The Cold War is over. The hierarchy between the "high politics" of foreign policy and diplomatic concerns, and the "low politics" of U.S. economic commercial interests, is no longer appropriate. But somehow our frame of reference has become frozen, our policies ossified.

Republicans and Democrats alike must re-examine our trade policy, and assess whether it is adequate for the fierce international competition of the 1990's. It is vital that America's trade policy be improved. Let me suggest six ways.

First, we must end the confusion over the purpose of America's trade policy. Its central purpose must be to serve to enhance the competitiveness of American industry and

services. The composition of the American economy matters.

Most of you will say, "don't we already do this?" The answer is "no." For one thing, we are not at all confident that we are sufficiently aware of what enhances competitiveness of any given industry. Failing familiarity with the trade flows we are affecting, we settle for being for open markets, not an entirely bad fall-back when we do not know much about what is taking place in the world.

But since we fail to test our negotiations by whether our producers are better off at the end of them, we run into distinct problems. To give you only the most recent example, the United States just gave KLM Royal Dutch airlines the right to land anywhere in the United States. Our negotiators received in return the right for our airlines to land at any airport throughout all of Holland. Just think of it! The newspapers quoted a KLM executive as saying that this was a "dream" agreement. And from his perspective it certainly is.

Robert Crandall, Chairman of American Airlines, said of this deal "Holland is a very small country. We can't justify service to Amsterdam [alone]. We get nothing."

Our negotiators said that this agreement would give our consumers greater choice. This is simply muddled thinking. It would be no more than a curiosity if the adverse impact on America's commercial interests were not real. We can no longer afford this kind of quirky, idiosyncratic trade policy, which is contrary to the nation's commercial interests.

Similar problems have occurred in the Uruguay Round. For example, we have endorsed lofty principles without considering in advance their practical effects. In the negotiations on trade in services, we sought a most-favored-nation rule as part of a framework agreement. It only later became apparent that the requirement that we give the same treatment to all countries—before others gave commitments to open their markets—wedged our market open while depriving us of the means to apply unilateral leverage to get those markets open at a later stage. We had gotten swept up in a desire to improve the appearances of the international trading system without examining the practical effects on our industry's competitive position.

Just as American foreign policy must serve the national security and economic interests, America's trade policies must serve the national commercial interests.

Second, U.S. trade policy must be proactive.

If foreign governments are intervening in markets to promote their industries, either through closing their home market or providing subsidies, the United States must act decisively and act early. We must either convince foreign governments to change their behavior, or we must take action that will offset the effects of the foreign industrial targeting. This is not a prescription for economic conflict. It may be that the U.S. measures required will have more to do with assuring that American industry is not disadvantaged—for example by tax policy—than through any form of trade measures.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The United States cannot afford another Airbus—the European government-backed civilian aircraft consortium that has received \$23 billion in subsidies. European subsidies are putting thousands of high-skill, high-wage American jobs in the aerospace sector at risk, and challenging U.S. leadership in one of the few manufacturing sectors where the United States enjoys a large trade surplus.

The earlier the United States acts to address foreign industrial targeting, the more opportunity there will be to find amicable yet effective solutions. If we wait until these market distortions have led to excess capacity, dumping, and an erosion of American market share in a given industry, all of our policy alternatives are unattractive. We cannot afford to pretend that the attempts at building industries abroad, when trade and investment patterns are distorted, are of no interest or consequence for the United States.

To name one other example, the United States fired the first shot in a war with Japan over semiconductors fifteen years after the outbreak of hostilities. We did not understand the importance of what was at stake. We did not even realize that we were in an extraordinarily serious dispute for years. In color televisions and in consumer electronics in general, we had no idea whatsoever that the broader battle had been commenced, fought and concluded. By the way, our industries lost, and yes, it matters.

Third, the United States must insist on results from its trade negotiations.

This is another one of those statements that hardly seem revolutionary, but would mark a significant departure from what we say we are doing today.

There have been over twenty agreements with Japan over the last twelve years which should have had a positive effect on U.S. electronics trade with Japan. However, the trade balance went from a negative \$3.6 billion to over a deficit of over \$19 billion. This is not a macroeconomic or exchange rate problem, it is a sectoral problem. In large part, the problem stems from market barriers in Japan, but also in structural problems, industrial targeting, and a very different set of government policies there as contrasted with here.

Too often, our enthusiasm for means, such as the negotiation of agreements, leads us to forget about ends, namely, increased U.S. economic competitiveness.

Stated U.S. negotiating objectives are often impractical and overly abstract. "Openness", "allowing market mechanisms to work", "transparency", "due process", and "dispute settlement" are all admirable concepts. Our bottom line should be whether trade agreements are helping U.S. companies export goods and services at a level which is consistent with their competitive position. In short, U.S. trade policy should be results-oriented. Last year, the CEO's of the nation's top computer manufacturers met under the auspices of the Computer Systems Policy Project. They concluded that:

"Basic to CSPP's approach to bilateral market-access is our emphasis on results . . . Results are sales made, market shares gained, and revenues received."

This kind of new thinking has been labeled as a heretical lurch toward managed trade and cartelization of industries. It is nothing of the kind. It is a common-sense effort to set goals and develop benchmarks for monitoring progress towards open markets, whenever markets are not currently functioning to produce results that should occur.

Because U.S. policy focuses too much on form and procedure, rather than substance, we have often negotiated agreements which do not deliver results. When results are addressed, there is such skittishness on the U.S. side of the table in dealing with this concept that enforcement of agreements becomes problematic. Disputes are more likely the less clear agreements are. Thus, while a results-orientation has appeared in mobile communications systems, cellular phones, auto parts, autos, and amorphous metals, none of these agreements are free of argument as to what they mean or how binding they are. One agreement negotiated with Japan—the semiconductor agreement—contains an enforceable target needed to overcome anticompetitive practices in the Japanese market. Most of the other agreements have centered on process. We must insist on results from our trade agreements. All trade agreements must be lived up to, and countries that fail to comply with trade agreements must understand that they will face sanctions.

Democratic and Republican members of the House and Senate have proposed that the private sector have a right to ask for a review to determine whether foreign governments are complying with bilateral trade agreements. Unfortunately, the Administration has opposed this initiative.

Fourth, we must improve our understanding of the nature of international competition.

Increasing the emphasis on training for government service, giving the government greater access to advice from technically qualified individuals in the private sector, and ending the arms-length and adversarial relationship between government and business are keys to competitive success. To make intelligent decisions about trade and export promotion policy, the United States must be able to answer the following questions:

What sectoral and regional markets offer the greatest potential for increased exports?

How are U.S. industries performing relative to their foreign competitors, and how are they likely to fare given current levels of investment in plant and equipment and R&D?

How are various U.S. industries affected by tariff, non-tariff and structural trade barriers? What foreign industrial policies are most likely to threaten U.S. economic interests?

Let me give you a few examples of what I'm talking about. Our government should be tracking closely the Korean government's recently announced program called "Electro 21", a \$500 million plan to increase Korean production of 40 key components, including semiconductors, flat panel displays, and software. We should be more than a little curious when the Japanese Government offers Japanese firms tax incentives for investments in 132 specific technologies. In some cases, the Japanese tax code even contains pictures of U.S. equipment, such as a DNA synthesizer made by a U.S. company, Applied Biosystems, that Japanese companies can receive credits for replicating in Japan.

Now, the economists in the audience may tell me that if foreign governments are foolish enough to subsidize their industries, we should send them a thank-you note. My concern is that some foreign government activities will have a disproportionate impact on our economic welfare—and that we ought to care whether the U.S. is participating in these industries. To these economists I would say, these foreign industrial policies

may not work in theory, but they have been known to work in practice. I don't believe we should necessarily emulate these policies, but we at least need to be aware of their impact on U.S. industries.

To do so, we should:

Expand the information-gathering capability of U.S. embassies abroad;

Enhance the analytical capability of the U.S. government through training, incentives to retain a highly qualified civil service, and an interchange program with the private sector; and

Increase the liaison activities with experts in the private sector, both within industry and in academia, investment banking houses, and similar sources of analytical expertise.

Fifth, we must reorganize for a more effective, efficient government.

The U.S. government is currently organized to meet the challenges of East-West competition. With the end of the Cold War, the United States must adopt a new set of priorities, and we must reorganize the government to reflect those priorities. I agree with Governor Clinton's position that there should be an Economic Security Council (or Economic Policy Council) created in the White House. It should have a small, highly skilled staff, like that of the National Security Council, to assure that issues affecting America's trade position and its competitiveness are regularly considered at the highest levels of government.

Unfortunately, trade policy formulation has become a step-child in the government's decision-making process. There is duplication, conflict, and confusion. A consolidation of functions and a reduction in the number of agencies involved is clearly called for. The United States should establish a Department of Trade. This would bring together all the line functions affecting trade—analysis, negotiations, enforcement, implementation, and export promotion. Recognizing the special international negotiating role of the Secretary of Trade, he or she would retain the function of personal representative of the President in trade negotiations.

Sixth, we must reduce our reliance on trade protection as a solution to our competitiveness problems.

If the U.S. government were more aware of developments in the real economy, and had additional tools to deal with international competitiveness problems, the need for trade remedies would decline. This stands out most clearly in the recent flat panel display case, where antidumping duties were imposed over the strenuous objections of their customers, the computer industry. Had the United States Government been monitoring the competitiveness of the American display industry, it might have been able to develop measures that would have strengthened both the manufacturers and consumers of displays.

To avoid the granting of protection being the primary tool of government to deal with problems of international competition, we will require a coherent technology policy, which would require shifting resources towards civilian R&D, diffusing research results to our small and medium-sized manufacturing firms, eliminating red tape which currently prevents the U.S. Government from getting detailed advice from the private sector, and broadening the mission of our National Labs. This increased attention to the competitiveness of our industries will lead to less restrictive trade policy outcomes.

CONCLUSION

If anyone in business were to grade America's trade policy on whether it has clear ob-

jectives and a strategy for meeting those objectives—I'm afraid it would only get a "gentleman's C." We should re-examine our negotiations involving Japan over a number of years through the lenses provided in these remarks today, or scrutinize the odd notion that the United States would be well-served by additional free trade areas with any country, least of all Chile and Japan at the expense of our multilateral trading system.

In the spirit of bipartisanship, or at least intellectual honesty, I have stated that this is by no means a product of the stewardship of these last two Republican Administrations. But times have indeed changed, and with them, there is a need for a change in policies.

Trade policy is only one aspect of what is needed, to be sure, but it is not unimportant. Trade policy must be judged by whether it contributes to the future economic strength and well-being of America.

SALUTE TO MEL SHEELER

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to honor Mel Sheeler as he concludes his term as president of the Greater Ventura Chamber of Commerce.

During his term as president of the largest chamber in the Tri-Counties, Mel has worked hard to improve the county's business climate, focusing on strengthening the chamber's presence with city government and to promote economic stability and the quality of life.

A second-generation county resident, Mel is president of First National Bank of Ventura, but finds the time to be deeply involved in civic affairs as well.

He has been a member of the chamber's board of directors since 1986, having held a variety of positions including vice president of the business development division and chairman of the recently formed chamber political action committee.

Among his other activities, he is a member of the board of directors of the Ventura Boys and Girls Club; a 21-year member of the board of the county chapter of the American Cancer Society; a member and past president of the East Ventura Kiwanis Club, with a 23-year perfect attendance record; and a founding board member of the MIT Enterprise Forum.

Mr. Speaker, I ask my colleagues to join me in saluting Mel Sheeler for a job well done.

INTRODUCTION OF LEGISLATION FOR OVERSEAS MILITARY PERSONNEL

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. SLATTERY. Mr. Speaker, I am pleased to reintroduce today legislation that will correct a longstanding injustice perpetrated against tens of thousands of military personnel and their families stationed overseas.

While serving in the United States, eligible low-income military families receive an earned income tax credit [EITC] to supplement their meager income. Service members and their families who are transferred to a military post overseas, however, are forced to forfeit their eligibility for an EITC.

Current estimates are that 25,000 low-income military families who are living outside the United States have had to sacrifice this small supplement to their income. The legislation I am offering today would extend the EITC to these needy military families and would equalize this important benefit for all service members.

This simple and straightforward adjustment to equalize eligibility for the EITC will ensure that low-income military families can continue to benefit from a tax credit they deserve and are entitled to receive.

Additionally, clarifications of the Internal Revenue Code, that are supported by IRS, the U.S. Department of the Treasury, and the Department of Defense, will improve administration of the EITC for military personnel and will prevent overpayments of this credit. These technical changes are expected to more than offset the costs associated with extending the EITC to military personnel stationed overseas and will make my proposal revenue neutral.

I have introduced this legislation twice before, and each Congress has come closer to enacting it. The proposal was included in the House version of the 1990 Omnibus Budget Reconciliation Act, but was dropped in conference. The provision was included in the 1992 Omnibus Revenue Act, which was vetoed by President Bush. I hope the third time will be a charm.

I would like to commend the NonCommissioned Officers Association, especially Sgt. Maj. "Mack" McKinney (retired), and the National Military Families Association, especially Ms. Sidney Hickey, for their efforts and dedication to the needs of our service members stationed around the world.

Too often we overlook the tremendous sacrifices made by military personnel and their families who are stationed in a foreign land, and I hope this legislation will reaffirm our appreciation and respect for these dedicated Americans.

INTRODUCTION OF THE CONGRESSIONAL PAY REDUCTION ACT OF 1993

HON. JON KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. KYL. Mr. Speaker, I rise today to introduce the Congressional Pay Reduction Act of 1993.

Public outrage at the last pay raise for House Members has not diminished in the nearly 3½ years since it was approved, in part because of the size of that raise, and in part because of the annual cost-of-living adjustments House Members have received since then.

That outrage is further intensified by the fact that the Nation is continuing to suffer record

budget deficits. People rightly ask why Congress can't reduce that deficit, and why Congress can't do its part. The Congressional Pay Reduction Act is a partial response to those very legitimate questions.

The bill I am proposing today will roll back the pay rate for House Members to the level that would have been in effect had Congress received the same cost-of-living adjustment [COLA] as Social Security beneficiaries since 1980. Had the Social Security COLA been applied, House Members' pay would amount to \$118,000—about \$15,000 less than today's pay rate. I believe that is fair.

Once the pay rate is adjusted, the bill would eliminate the automatic annual COLA for Congress so that any further increases in House Members' pay could occur only after another vote. The public's fears about further backdoor pay raises would be alleviated.

I would note that the pay levels provided by my bill represent an adjustment for inflation, not a raise based on real or perceived merit. We should think of that only when the House has done its job with respect to the deficit.

I invite my colleagues to join me in cosponsoring this initiative, and I ask that the text of the bill be reprinted in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Congressional Pay Reduction Act of 1993".

SEC. 2. PAY REDUCTION.

(a) IN GENERAL.—Effective with respect to service performed during any pay period beginning after the effective date under subsection (c), and until thereafter adjusted by or in accordance with law, the annual rate of pay for—

(1) a Member of or Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico, shall be \$118,000;

(2) the majority leader and the minority leader of the House of Representatives shall be \$133,000; and

(3) the Speaker of the House of Representatives shall be \$154,000.

(b) HONORARIA AND RELATED MATTERS UNAFFECTED.—Nothing in subsection (a) shall be considered to constitute a repeal of any provision of section 703 of the Ethics Reform Act of 1989 for purposes of section 603 or section 804(f) of such Act.

(c) EFFECTIVE DATE.—This section shall become effective as of—

(1) the 30th day after the date of the enactment of this Act; or

(2) if implementation of this section based on the date under paragraph (1) is held to be unconstitutional, the first day of the first Congress as of which this section may constitutionally be given effect.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) LEGISLATIVE REORGANIZATION ACT OF 1946.—Paragraph (1) of section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(1)) is amended to read as follows:

"(1) The annual rate of pay for—

"(A) each Senator, and

"(B) the President pro tempore of the Senate and the majority leader and the minority leader of the Senate,

shall be the rate determined for such positions under section 225 of the Federal Salary

Act of 1967 (2 U.S.C. 351-361), as adjusted under paragraph (2) of this subsection."

(b) FEDERAL SALARY ACT OF 1967.—Section 225 of the Federal Salary Act of 1967 is amended—

(1) by striking subparagraph (A) of subsection (1)(3) (2 U.S.C. 356(A)) and inserting the following:

"(A) the Vice President of the United States, Senators, the President pro tempore of the Senate, and the majority and minority leaders of the Senate;" and

(2) by striking subparagraph (A) of subsection (1)(3) (2 U.S.C. 362(3)(A)) and inserting the following:

"(A)(i) The rates of pay recommended for the Vice President of the United States and the Chief Justice of the United States, respectively, shall be equal.

"(ii) The rates of pay recommended for the majority and minority leaders of the Senate, the President pro tempore of the Senate, and each office or position under section 5312 of title 5, United States Code (relating to level I of the Executive Schedule), respectively, shall be equal.

"(iii) The rates of pay recommended for a Senator, a judge of a district court of the United States, a judge of the United States Court of International Trade, and each office or position under section 5313 of title 5, United States Code (relating to level II of the Executive Schedule), respectively, shall be equal."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of the effective date of section 2.

COMPREHENSIVE PREVENTIVE HEALTH AND PROMOTION ACT OF 1993

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GILMAN. Mr. Speaker, an estimated 35 million Americans lack health insurance, the largest number of uninsured in 25 years. Currently, 21 percent of the residents in my home State of New York are uninsured. The time has come for Congress to take the necessary steps to provide adequate health care to our Nation's citizens.

Therefore, yesterday I introduced legislation which will cover individuals for periodic health exams, as well as counseling and immunizations, H.R. 36.

The Comprehensive Preventive Health and Promotion Act of 1993 will direct the Secretary of Health and Human Services [HHS] to establish a schedule of preventive health care services and to provide for coverage of these services under private health insurance plans and health benefit programs of the Federal Government.

More specifically, the Secretary of HHS, in consultation with representatives of the major health care groups, will establish a schedule of recommended preventive health care services. The list of preventive services will follow the guidelines published in the Guide to Clinical Preventive Services and the Year 2000 Health Objectives. The preventive services will cover periodic health exams, health screening, counseling, immunizations, and health promotion. These services will be specified for males and females, and specific age groups.

Additionally, HHS will publish and disseminate information on the benefits of practicing preventive health care, the importance of undergoing periodic health examinations, and the need to establish and maintain a family medical history to businesses, providers of health care services, and other appropriate groups and individuals.

Moreover, this legislation provides for prevention and health promotion workshops to be established for corporations and businesses, as well as for the Federal Government. A wellness program will be established to make grants over a 5-year period to 30 eligible employers to establish and conduct on-site workshops on health care promotion for employees. The wellness workshops can include: Counseling on nutrition and weight management, clinical sessions on avoiding back injury, programs on smoking cessation, and information on stress management.

Finally, my legislation directs HHS to set up a demonstration project which will go to 50 counties over a 5-year period to provide preventive health care services at health clinics. This program will cover preventive health care services for all children, adults under a certain income level—if above the determined income level, fees will be based on a sliding scale. Additionally, the project will entail both urban and rural areas in different regions of our Nation to educate the public on the benefits of practicing preventive health care, the need for periodic health exams, and the need for establishing a medical history, as well as providing services.

Mr. Speaker, currently there are many proposals on how to heal our Nation's health care system, but there has not been any proposal which has received wide acceptance. Experts have concluded that practicing preventive health care does work, and will produce a healthier nation. Although there is a consensus on the benefits of practicing preventive health care, only approximately 20 percent of health insurance companies offer coverage for periodic health exams.

The Comprehensive Preventive Health and Promotion Act of 1993 will not solve our Nation's health crisis, but will take the significant steps to heal it. This measure has all the necessary ingredients that will be needed in a national health care plan, and will be applicable to that plan.

Accordingly, to all my colleagues who share my concern regarding the importance of producing a healthier nation, I invite and urge you to cosponsor this measure, sending a clear message to our Nation's citizens that Congress is taking steps to improve our Nation's health care system.

At this point in the RECORD I request that the full text of my bill be inserted for review by my colleagues:

H.R. 36

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Preventive Health and Promotion Act of 1993".

SEC. 2. ESTABLISHMENT OF SCHEDULE OF PREVENTIVE HEALTH CARE SERVICES.

(a) INITIAL SCHEDULE.—

(1) PROPOSED SCHEDULE.—Not later than 6 months after the date of the enactment of

this Act, the Secretary of Health and Human Services, in consultation with representatives of individuals described in subsection (d), shall establish a proposed initial schedule of recommended preventive health care services. In accordance with section 553 of title 5, United States Code, the Secretary shall publish such proposed schedule in the Federal Register and provide for a 90-day period for receiving public comment on the schedule.

(2) FINAL SCHEDULE.—The proposed schedule of recommended preventive health care services established under paragraph (1) shall become effective for the first calendar year that begins 90 or more days after the expiration of the period for receiving public comment described in paragraph (1).

(b) ANNUAL ADJUSTMENT.—Not later than October 1 of every year (beginning with the first year for which the schedule established under subsection (a) is in effect), the Secretary, in consultation with representatives of individuals described in subsection (d) and in accordance with section 553 of title 5, United States Code, may revise the schedule of preventive health care services established under this section for the following calendar year.

(c) USE OF SOURCES FOR ESTABLISHING SCHEDULE.—In establishing the initial schedule of recommended preventive health care services under subsection (a) and in revising the schedule for subsequent years under subsection (b), the Secretary shall take into consideration the recommendations for preventive health care services contained in the Guide to Clinical Preventive Services presented to the Department of Health and Human Services by the United States Preventive Services Task Force and the Year 2000 Health Objectives of the United States Public Health Service.

(d) INDIVIDUALS SERVING AS CONSULTANTS.—The individuals described in this subsection are as follows:

- (1) Hospital administrators.
- (2) Administrators of health benefit plans.
- (3) General practice physicians.
- (4) Mental health practitioners.
- (5) Pediatricians.
- (6) Chiropractors.
- (7) Physicians practicing in medical specialty areas.
- (8) Nutritionists.
- (9) Nurses.
- (10) Experts in scientific research.
- (11) Dentists.
- (12) Representatives of manufacturers of prescription drugs.
- (13) Health educators.

SEC. 3. APPLICATION TO INDIVIDUALS ENROLLED IN PRIVATE HEALTH INSURANCE PLANS.

(a) REQUIREMENT FOR CARRIERS AND PLANS.—

(1) IN GENERAL.—Each carrier and employer health benefit plan shall include in the services covered for each individual enrolled with the carrier or plan the preventive health care services applicable to the individual under the schedule of preventive health care services established under section 2.

(2) DEFINITIONS.—In this section:

(A) The term "carrier" means any entity which provides health insurance or health benefits in a State, and includes a licensed insurance company, a prepaid hospital or medical service plan, a health maintenance organization, the plan sponsor of a multiple employer welfare arrangement or an employee benefit plan (as defined under the Employee Retirement Income Security Act of

1974), or any other entity providing a plan of health insurance subject to State insurance regulation, but such term does not include for purposes of section 103 an entity that provides health insurance or health benefits under a multiple employer welfare arrangement.

(B)(i) Subject to clause (ii), the term "employer health benefit plan" means a health benefit plan (including an employee welfare benefit plan, as defined in section 3(1) of the Employee Retirement Income Security Act of 1974) which is offered to employees through an employer and for which the employer provides for any contribution to such plan or any premium for such plan are deducted by the employer from compensation to the employee.

(ii) A State may provide (for a plan in a State) that the term "employer health benefit plan" does not include an association plan (as defined in clause (iii)).

(iii) For purposes of clause (ii), the term "association plan" means a health benefit plan offered by an organization to its members if the organization was formed other than for purposes of purchasing insurance.

(C) The term "full-time employee" means, with respect to an employer, an individual who normally is employed for at least 30 hours per week by the employer.

(D) The term "health benefit plan" means any hospital or medical expense incurred policy or certificate, hospital or medical service plan contract, or health maintenance subscriber contract, or a multiple employer welfare arrangement or employee benefit plan (as defined under the Employee Retirement Income Security Act of 1974) which provides benefits with respect to health care services, but does not include—

(i) coverage only for accident, dental, vision, disability income, or long-term care insurance, or any combination thereof,

(ii) medicare supplemental health insurance,

(iii) coverage issued as a supplement to liability insurance,

(iv) worker's compensation or similar insurance, or

(v) automobile medical-payment insurance, or

or any combination thereof.

(E) The term "small employer carrier" means a carrier with respect to the issuance of an employer health benefit plan which provides coverage to one or more full-time employees of an entity actively engaged in business which, on at least 50 percent of its working days during the preceding year, employed at least 2, but fewer than 36, full-time employees. For purposes of determining if an employer is a small employer, rules similar to the rules of subsection (b) and (c) of section 414 of the Internal Revenue Code of 1986 shall apply.

(b) ENFORCEMENT THROUGH EXCISE TAX.—

(1) IN GENERAL.—Chapter 43 of the Internal Revenue Code of 1986 (relating to qualified pension, etc., plans) is amended by adding at the end thereof the following new section:

"SEC. 4980C. FAILURE TO COMPLY WITH EMPLOYER HEALTH BENEFIT PLAN STANDARDS REGARDING PREVENTIVE HEALTH CARE.

"(a) IMPOSITION OF TAX.—

"(1) IN GENERAL.—There is hereby imposed a tax on the failure of a carrier or an employer health benefit plan to comply with section 3(a)(1) of the Comprehensive Preventive Health and Promotion Act of 1993.

"(2) EXCEPTION.—Paragraph (1) shall not apply to a failure by a small employer carrier or plan in a State if the Secretary of

Health and Human Services determines that the State has in effect a regulatory enforcement mechanism that provides adequate sanctions with respect to such a failure by such a carrier or of such a plan.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—Subject to paragraph (2), the tax imposed by subsection (a) shall be an amount not to exceed 25 percent of the amounts received by the carrier or under the plan for coverage during the period such failure persists.

"(2) LIMITATION IN CASE OF INDIVIDUAL FAILURES.—In the case of a failure that only relates to specified individuals or employers (and not to the plan generally), the amount of the tax imposed by subsection (a) shall not exceed the aggregate of \$100 for each day during which such failure persists for each individual to which such failure relates. A rule similar to the rule of section 4980B(b)(3) shall apply for purposes of this section.

"(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid by the carrier.

"(d) EXCEPTIONS.—

"(1) CORRECTIONS WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) by reason of any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected within the 30-day period beginning on earliest date the carrier knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that payment of such tax would be excessive relative to the failure involved.

"(e) DEFINITIONS.—For purposes of this section, the terms "carrier", "employer health benefit plan", and "small employer carrier" have the respective meanings given such terms in section 3(a)(2) of the Comprehensive Preventive Health and Promotion Act of 1993."

"(2) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new items:

"Sec. 4980C. Failure to comply with employer health plan standards regarding preventive health care."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1993.

SEC. 4. COVERAGE OF PREVENTIVE HEALTH CARE SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(1) by striking "and" at the end of subparagraph (O);

(2) by striking the semicolon at the end of subparagraph (P) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(Q) in the case of an individual, services applicable to the individual under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993 (to the extent such services are not otherwise covered with respect to the individual under this title);"

(b) CONFORMING AMENDMENTS.—Section 1862(a) of such Act (42 U.S.C. 1395y(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking "and" at the end,

(B) in subparagraph (F), by striking the semicolon at the end and inserting ", and", and

(C) by adding at the end the following new subparagraph:

"(G) in the case of items or services described in section 1861(s)(2)(Q), which are not provided in accordance with the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993 ;"; and

(2) in paragraph (7), by striking "paragraph (1)(B) or under paragraph (1)(F)" and inserting "subparagraphs (B), (F), or (G) of paragraph (1)";

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 5. COVERAGE UNDER STATE MEDICAID PLANS.

(a) IN GENERAL.—

(1) INCLUSION IN MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(A) by striking "and" at the end of paragraph (21);

(B) in paragraph (24), by striking the comma at the end and inserting a semicolon;

(C) by redesignating paragraphs (22), (23), and (24) as paragraphs (25), (22), and (23), respectively, and by transferring and inserting paragraph (25) after paragraph (23), as so redesignated; and

(D) by inserting after paragraph (23) the following new paragraph:

"(24) services applicable to the individual under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993 (to the extent such services are not otherwise covered with respect to the individual under the State plan under this title); and"

(2) COVERAGE MADE MANDATORY.—(A) Section 1902(a)(10)(A) of such Act (42 U.S.C. 1396a(a)(10)(A)) is amended by striking "(17) and (21)" and inserting "(17), (21), and (24)".

(B) Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended—

(i) by striking "(5) and (17)" and inserting "(5), (17), and (24)"; and

(ii) by striking "through (21)" and inserting "through (24)".

(C) Section 1902(j) of such Act (42 U.S.C. 1396a(j)) is amended by striking "through (22)" and inserting "through (24)".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after January 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 6. COVERAGE OF PREVENTIVE HEALTH CARE SERVICES FOR VETERANS.

(a) IN GENERAL.—Section 1701(6) of title 38, United States Code is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) with respect to any veteran, any preventive care services applicable under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993, to the extent such services are not otherwise treated as medical services under this paragraph."

(b) PROVIDING SERVICES IN OUTPATIENT SETTING.—Section 1712(a)(5)(A) of such title is amended—

(1) in the first sentence, by striking the period at the end and inserting the following: "or any other medical services applicable to the veteran under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993."; and

(2) in the second sentence, by inserting after "admission" the following: "or any services applicable to the veteran under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993 (other than services applicable under such schedule that are reasonably necessary in preparation for hospital admission)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 7. COVERAGE OF PREVENTIVE HEALTH CARE SERVICES UNDER FEDERAL EMPLOYEES HEALTH BENEFIT PLANS.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 8904(a) of title 5, United States Code, are each amended by adding at the end the following new subparagraph:

"(G) With respect to an individual, any preventive health care services applicable to the individual under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to services furnished on or after January 1, 1994.

SEC. 8. COVERAGE OF PREVENTIVE HEALTH CARE SERVICES FOR DEPENDENTS OF MEMBERS OF THE UNIFORMED SERVICES.

(a) PREVENTIVE HEALTH CARE SERVICES INCLUDED IN AUTHORIZED CARE.—Section 1077(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(13) Any preventive care services applicable under the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993, to the extent such services are not otherwise authorized as health care services under this subsection."

(b) EFFECTIVE DATE.—Paragraph (13) of section 1077(a) of title 10, United States Code (as added by subsection (a)), shall apply with respect to health care services furnished on or after January 1, 1994, to dependents of members or former members of the uniformed services authorized to receive such services.

SEC. 9. PREVENTIVE HEALTH CARE DEMONSTRATION PROJECT.

(a) ESTABLISHMENT.—There is hereby established a demonstration project to dem-

onstrate the effectiveness in providing preventive health care services in improving the health of individuals and reducing the aggregate costs of providing health care, under which the Secretary of Health and Human Services shall—

(1) make grants over a 5-year period to 50 eligible counties to assist the counties in providing preventive health care services (in accordance with subsection (b)) to individuals who would otherwise be unable to pay (or have payment made on their behalf) for such services;

(2) conduct the study described in subsection (c); and

(3) carry out the educational program described in subsection (d).

(b) GRANTS TO COUNTIES.—

(1) SERVICES DESCRIBED.—A county receiving a grant under subsection (a)(1) shall provide preventive health care services to individuals at clinics in accordance with the schedule of preventive health care services established under the Comprehensive Preventive Health and Promotion Act of 1993, except that—

(A) the county may furnish services to individuals residing in rural areas at locations other than clinics if no clinics that are able to provide such services are located in the area; and

(B) the Secretary may revise the schedule of services otherwise required to be provided to take into account the special needs of a participating county.

(2) ELIGIBILITY OF COUNTIES.—A county is eligible to receive a grant under subsection (a)(1) if it submits to the Secretary, at such time and in such form as the Secretary may require, an application containing such information and assurances as the Secretary may require.

(3) GEOGRAPHIC BALANCE AMONG COUNTIES SELECTED.—In selecting counties to receive grants under subsection (a)(1), the Secretary shall consider the need to select counties representing urban, rural, and suburban areas and counties representing various geographic regions of the United States.

(c) STUDY OF STATE PREVENTIVE CARE REQUIREMENTS.—

(1) STUDY.—The Secretary shall conduct a study of the requirements regarding preventive health care services that are imposed by each State on health benefit plans offered to individuals residing in the State.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under paragraph (1).

(d) DISSEMINATION OF INFORMATION ON PREVENTIVE HEALTH CARE.—Not later than 2 years after the date of the enactment of this Act, the Secretary, in consultation with experts in preventive medicine and representatives of providers of health care services, shall publish and disseminate information on the benefits of practicing preventive health care, the importance of undergoing periodic health examinations, and the need to establish and maintain a family medical history to businesses, providers of health care services, and other appropriate groups and individuals.

(e) STATE DEFINED.—In this section, the term "State" means each of the 50 States and the District of Columbia.

SEC. 10. PROGRAMS TO ESTABLISH ON-SITE WORKSHOPS ON HEALTH PROMOTION.

(a) GRANTS TO BUSINESSES.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall establish a program under which the Secretary shall make

grants over a 5-year period to 30 eligible employers to establish and conduct on-site workshops on health care promotion for employees.

(2) ELIGIBILITY.—An employer is eligible to receive a grant under paragraph (1) if the employer submits an application (at such time and in such form as the Secretary may require) containing such information and assurances as the Secretary may require, including assurances that the employer shall use funds received under the grant only to provide services that the employer does not otherwise provide (either directly or through a carrier) to its employees.

(3) INFORMATION AND SERVICES PROVIDED.—On-site workshops on health care promotion conducted with grants received under paragraph (1) shall include the presentation of such information and the provision of such services as the Secretary considers appropriate, including counseling on nutrition and weight management, clinical sessions on avoiding back injury, programs on smoking cessation, and information on stress management.

(b) ESTABLISHMENT OF PROGRAMS FOR FEDERAL EMPLOYEES.—The Secretary of Labor shall establish a program under which the Secretary shall conduct on-site workshops on health care promotion for employees of the Federal Government, and shall include in such workshops the presentation of such information and the provision of such services as the Secretary (in consultation with the Secretary of Health and Human Services) considers appropriate, including counseling on nutrition and weight management, clinical sessions on avoiding back injury, programs on smoking cessation, and information on stress management.

MICROENTERPRISE AND ASSET DEVELOPMENT ACT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. HALL of Ohio. Mr. Speaker, as chairman of the House Select Committee on Hunger, I am pleased to introduce the Microenterprise and Asset Development Act. This legislation removes the penalties against those on AFDC who want to develop their own small business, or save for job training, education, or a better place to live. I am pleased to introduce this legislation with my colleagues FRED GRANDY, CARLISS COLLINS, and Hunger Committee ranking minority member BILL EMERSON.

It should be noted that this proposal was passed by both the House and Senate last year as part of H.R. 11, the Revenue Act of 1992, but was vetoed by the President. I am pleased to report that President-elect Clinton has voiced his support for this proposal.

This bill is the first of two asset development for the poor proposals I am introducing today. The thrust of this legislation is to remove the restrictions on asset accumulation by the poor; the idea behind the other bill—the Individual Development Account Demonstration Act—is to subsidize asset accumulation for the poor, just as the Federal Government does for the nonpoor.

Federal antipoverty policy, Mr. Speaker, should support asset-building activities, not

penalize them. Because of the \$1,000 asset limit in AFDC, we are telling the poor that they cannot save for their children's education, that they cannot start their own business, or that they should sell everything they have just to get some temporary assistance. This traps people on welfare—which is both morally wrong and economically foolish.

The bill has two parts, both effective October 1, 1993. The first—disregard of income and resources designated for education, training, and employment—allows recipients of AFDC to save up to \$10,000 in qualified asset accounts—IRA's, escrow accounts, savings bonds, and so forth—that can be used only for; first, education and training; second, the improvement of employability—such as through the purchase of an automobile; third, the purchase of a home; and fourth, a change of the family residence. The bill also requires the Secretary of Health and Human Resources to report to the Congress on the need to revise the asset limit, presently \$1,500, on automobiles, and on the extent to which such a revision would increase the employability of recipients.

The second part—disregard of income and resources related to self-employment—allows recipients of AFDC to accumulate up to \$10,000 of the net worth—assets reduced by liabilities—of a microenterprise—a commercial enterprise which has five or fewer employees, one or more of whom owns the enterprise. The bill also states that the net profits—gross business receipts minus expenses relating to loan repayments, transportation, inventory, capital equipment, taxes, insurance, and amounts reinvested in the business—of a microenterprise shall be taken into consideration in determining income eligibility. Both the net worth and net profit provisions are applicable for a period of time not to exceed 2 years. Finally, the bill stipulates that if at least 3 percent of the State's adult AFDC population participate in microenterprise activities, then microenterprise training—business counseling, marketing advice, help with securing loans, and so forth—shall be offered through the JOBS Program; if participation is less than 3 percent, then the State has the option of offering such training.

It is crucial that we allow the poor to receive assistance while they are building up the assets they need to make it on their own—a small business, job training, education and a safe place to live. I urge my colleagues to support this important legislation.

GIVING CONSUMERS NEW TOOLS TO INCREASE SAVINGS

HON. PETER HOAGLAND

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. HOAGLAND. Mr. Speaker, today I am introducing a bill to give the consumer a new tool for making and increasing investments. My bill would allow banks, through separately capitalized subsidiaries and bank holding company affiliates, to sponsor and underwrite mutual funds, an activity they are now generally prohibited from conducting. A mutual fund is

an investment company that pools the funds of individuals and other investors and uses them to purchase large portfolios of debt or equity obligations of businesses and sometimes debt obligations of governments. The owners of the fund hold proportionate shares in the entire pool of securities in which a fund invests.

CONSUMERS SAVINGS ERODING

The last 5 years have seen a disappointing downward slide in interest rates on personal savings accounts in banks, the way most Americans probably save. In 1989, the average interest rate paid on savings' accounts at commercial banks was a little over 6 percent. In 1988, the average interest rate paid at insured commercial banks on time deposits, like certificates of deposit with a 2½-year term, was 8 percent. Today, savings accounts in banks get a mere 3 percent, on average. The interest rate today on time deposits over 2½ years in length has dropped to 5.02 percent. These traditionally safe and popular investments are hardly keeping up with inflation, which hovers around 3 percent.

Mutual funds investments, on the other hand, which granted, are risky, uninsured investments, earned on average 23 percent in 1991. In the 1980's, the return on mutual funds investments fluctuated greatly, reaching on average, a low of -0.26 percent in 1981 and a high of 24.42 percent in 1985.

The Washington Post last fall reported, in an article entitled, "Elderly See Interest Income Evaporate," that interest rates on certificates of deposits and Treasury bills have plummeted from double digits in the 1980's to about 3 percent today. Many elderly people, who live on a minimal pension, depend on interest from their hard-earned, lifetime savings to supplement their Social Security or other pension income. The average Social Security pension at the end of 1991 for a retired worker was \$7,500 a year. Twenty-five percent of the income of seniors comes from interest and investments. Craig Hoogstra of the American Association of Retired Persons has said, "People who have all of their liquid assets in CD's or savings accounts are going to be hurt the hardest, people with no ability to decrease expenses and no ability to increase their income." In short, people who manage to save and invest in traditionally safe ways, are seeing their savings eroded in our current economy. It is particularly harsh for the elderly living on fixed incomes when inflation is running about 3 percent and health care expenses rise at a much higher rate, 8 percent in 1991. In fact, during the 1980's, medical inflation ran twice the rate of inflation on other items.

The bill I introduce today will give seniors and others a new option, with the convenience and familiarity of their bank, to get more money on their investments by giving them a new investment opportunity in their community, advised by local community people they know and trust.

Some may say that mutual funds, unlike most bank deposits, are not federally insured. That is correct. But, in the interest of protecting the consumer, my bill includes a specific provision requiring disclosure to customers and the mutual fund investment is not insured and it requires the customer to sign a written acknowledgment that the disclosures were received.

In addition, my bill would not permit these new activities to be conducted in a manner that threatens the deposit insurance fund or investor protection. These new activities could only be performed in separately capitalized subsidiaries of the banks or bank holding companies. Moreover, the subsidiaries engaged in the new activities would be regulated by the appropriate banking agencies and the Securities and Exchange Commission, as they are now, to ensure that the activities are conducted in a safe and sound manner and in full compliance with the securities laws.

MUTUAL FUNDS HEALTHY

In the 1970's, mutual funds, in the words of a U.S. Department of Treasury report, became "the most notable substitute for insured deposits." They grew slowly and steadily in number and assets, and in the 1980's, they exploded. Mutual funds grew rapidly in the 1980's reaching almost 2,000 in number and over \$800 billion in total assets by the end of 1987. Between 1977 and 1990, the number of mutual funds ballooned from 50 to 509; assets increased more than 55 times, from \$7.4 billion to \$414 billion, according to the Investment Company Institute. One study showed that in 1984, 84 percent of savings were in bank time deposits and savings accounts, with 16 percent in mutual funds. By 1991, savings in mutual funds had grown to 42 percent.

UPDATING OLD LAW

Under current law, section 16 of the Banking Act of 1933, known as the Glass-Steagall Act, enacted during the Depression in 1933, prohibits national banks and State Federal Reserve member banks from directly dealing in, underwriting, or purchasing all but a few securities for their own accounts. The Glass-Steagall Act also prohibits these banks from being affiliated with companies principally engaged in the underwriting or distribution of securities. The Glass-Steagall Act was a response to charges of conflict of interest and fraud in some banks and the fear of taking risks with depositors' money during the Great Depression and after the stock market collapse. This act, well-intentioned at the time, tried to separate two industries, the risk-taking investment industry and the safe, risk-avoidance banking industry.

A 1991 Treasury Department study entitled "Modernizing the Financial System, Recommendations for Safer, More Competitive Banks," recommended giving banking firms several new powers and products to restore their health and competitiveness. In the last Congress, our efforts to expand banks' powers, unfortunately, got largely caught up in intractable congressional jurisdictional squabbles and did not become law. My bill today is a continuation of that effort and represents one small loosening up of 60-year-old strictures that just do not make sense today.

WHY DO BANKS NEED TO ENGAGE IN MUTUAL FUND ACTIVITY?

The Nation's banks today find themselves hamstrung by restrictions not faced by their competitors. Banks' share of national lending has gone from 19 percent in 1981 to 7 percent in 1991. Companies like Ford Motor Co., General Electric, and J.C. Penney engage in a range of insurance, real estate, securities, banking, and other financial activities without the regulatory shackles that banks face.

The bank, which at one time was a person's major source of credit and financial advice and activity, has found its position eroded as it has been outcompeted in today's modern, complex financial world. People today have many choices of instruments in which to invest. Investing requires sophistication and is a complicated process. In many places, especially the small towns of America, the bank is the only place to get advice and the most convenient place to put one's savings. Giving banks this one additional avenue for advising and helping people manage and maximize their savings is a small step, in my view, but a much needed one both to help consumers increase their savings and help banks become more competitive.

MOVING IN THIS DIRECTION

As their markets have been eroded, banks have been innovative in developing business and expanding their products. And the regulatory agencies, through decisions and interpretations, are moving to allow banks to undertake more securities activities that were once the exclusive domain of the securities industry. For example, the Federal Reserve has interpreted the Glass-Steagall Act to allow bank holding companies to establish nonbank subsidiaries that derive up to 10 percent of their revenue from a wide range of otherwise prohibited, or ineligible, securities activities, including underwriting of and dealing in commercial paper, mortgage-backed securities, municipal revenue bonds, securitized assets, and corporate bonds and equities, according to the Treasury report. The law has also been interpreted by the OCC to give national banks authority to engage in some activities that are conducted by securities firms.

Our foreign competitors are way ahead of us. Notably, foreign banks engage in securities activities in this country. Also, while section 303 of FDICIA now restricts insured state bank activities, and by 1990, 23 States had authorized state-chartered bank affiliates to engage in securities underwriting activities beyond those permitted for national banks and bank holding companies. My bill, in essence, affirms what is already a growing trend.

I would like to note that like H.R. 6, as reported by the Banking Committee in the last Congress, and other banking reform bills that we have considered in recent years, my bill would permit the underwriting of the share of any registered investment company. However, after a decision is rendered in a case currently being litigated in Federal court, it may be appropriate to consider modifying this authority to address certain registered investment companies that fund variable annuities. I will continue to solicit views on this issue.

I hope my colleagues will join me in bringing our outmoded banking laws up to date in the interest of giving consumers many options to maintain a good standard of living and quality of life and in a manner which maintains the safety and soundness of the banking industry.

SECTION-BY-SECTION SUMMARY OF THE FINANCIAL SERVICES ACT OF 1992

SECTION 1. Short title.

The Act may be cited as the "Financial Services Act of 1992".

SEC. 2. Permitting a national bank to acquire or establish a subsidiary which under-

writes the shares of and sponsors investment companies.

Section 2 of the Act permits a national bank to establish a separately capitalized subsidiary which engages in the business of dealing in, underwriting, and distributing the shares of an investment company, as well as organizing, sponsoring, managing and controlling investment companies. Section 2 clarifies that the underwriting and sponsorship activities authorized by the Act for a subsidiary of a national bank are in addition to the activities in which national banks may engage directly under other provisions of law or as otherwise authorized by the Comptroller of the Currency.

The Act is not the exclusive authority for a national bank's investment company activities and a national bank may continue to engage directly in any such activity that is otherwise permissible. For example, the Comptroller has promulgated regulations permitting a national bank directly to collectively invest funds held by the bank in a fiduciary capacity (see 12 C.F.R. §9.18 (1992)) and several courts have confirmed this authority. In certain cases, some funds have been deemed to be investment companies for purposes of the securities laws. This legislation would not prohibit a national bank from continuing to offer directly these fiduciary services notwithstanding a determination that the fund may be an investment company.

Under the current regulatory and enforcement system, the investment company activities authorized by this legislation to be performed by a national bank subsidiary will be regulated and supervised by the Securities and Exchange Commission ("SEC") under the securities laws, as well as by the Comptroller under the banking laws. This dual regulatory scheme provides sufficient enforcement tools to address any unsafe or unsound banking practices or investor protection concerns that may arise as a result of the activities permitted by the Act.

The Comptroller, as the appropriate Federal banking agency for national banks and their subsidiaries, has the authority to prescribe the necessary rules and regulations to insure the bank's safety and soundness. It is expected that the Comptroller will use this authority to impose whatever additional safeguards are necessary to address any potential adverse effects to the bank that may arise from establishing and operating the authorized subsidiaries, including conflicts of interest and unsafe banking practices.

The Act permits small banks to engage in investment company activities. To be deemed a "subsidiary" of a national bank, the Act requires that a company must be only more than 25% owned by a national bank and the Act further provides that a subsidiary may be deemed to be a subsidiary of the more than one national bank. Consequently, several national banks may jointly own a subsidiary engaged in underwriting shares of and sponsoring investment companies.

SEC. 3. Permitting a State member bank to acquire a subsidiary which underwrites the shares of and sponsors investment companies.

Section 3 of the Act includes a conforming amendment to paragraph 20 of section 9 of the Federal Reserve Act, 12 U.S.C. §335, to provide that a State member bank may acquire a subsidiary that underwrites the shares of and sponsors an investment company to the same extent as permitted for a national bank under Section 2 of the Act.

SEC. 4. Requiring subsidiaries of national banks and State member banks to make certain disclosures to customers.

Section 4 of the Act amends the Federal Reserve Act (12 U.S.C. §221 et seq.) to require subsidiaries of national banks and State member banks engaged in the new activities to disclose, on a one-time basis, certain material information to their customers, including that the subsidiary is not an insured depository institution and any products sold, offered or recommended by the subsidiary are not FDIC insured. The subsidiaries must also obtain a signed acknowledgement from the customer that the required disclosures were received.

Moreover, the Act gives the Comptroller, in the case of a subsidiary of a national bank, and the Federal Reserve Board, in the case of a subsidiary of a State member bank, the authority to promulgate regulations, require that additional disclosures must be made, and to grant exceptions to the disclosure requirements under the Federal Reserve Act that are consistent with the purposes of the statute. It is expected that the regulators will consult with each other when granting exceptions to the disclosure requirements and will use this authority judiciously to exempt only customers who do not need the protection of the disclosures, e.g., sophisticated investors. Because the bank subsidiaries also are regulated by the SEC under the securities laws, any exceptions to the disclosure requirements granted by the banking regulators will only affect the disclosures required under the Federal Reserve Act and will in no way affect any requirements under the securities laws and regulations.

While this provision will provide express authority to banking regulators to require certain disclosures, under existing law, the regulators already have adequate supervisory authority to require any disclosures deemed necessary. In addition, the regulators have authority under 12 U.S.C. §1818 to take appropriate enforcement actions to address unsafe or unsound banking practices or violations of law involving the failure to disclose material information or fraudulent sales of securities by banks or their subsidiaries.

Moreover, under the securities laws, a subsidiary engaged in the new activities will be subject to applicable disclosure requirements and enforcement action by the SEC if such requirements are violated. For example, among many other provisions, the subsidiary will be subject to the securities antifraud statutes and regulations which require the disclosure of all material information, and the suitability requirements which impose a duty to ascertain that a sale of a security to a customer is suitable to that customer.

SEC. 5. Permitting a member bank to be affiliated with a company which underwrites the shares of and sponsors investment companies.

Section 5 of the Act includes a conforming amendment to section 20 of the Glass-Steagall Act, 12 U.S.C. §377, to permit a member bank, including a national bank, to be affiliated with a company that is engaged principally in the underwriting or distribution of investment company securities, such as is permitted by this legislation. Currently, section 20 of the Glass-Steagall Act prohibits such affiliations.

SEC. 6. Authorizing management interlocks between a member bank or a bank holding company and (1) an affiliate engaged in investment company activities, and (2) investment companies organized, sponsored, managed, or controlled by the affiliate.

Section 6 of the Act amends section 32 of the Glass-Steagall Act, 12 U.S.C. §78, to pro-

vide an exemption from the current law which prohibits management interlocks between a member bank and a company primarily engaged in the underwriting or distribution of securities. The Federal Reserve Board has interpreted section 32 also generally to prohibit such interlocks between a bank holding company and a company primarily engaged in the underwriting or distribution of securities. Section 6 would permit interlocks between member banks, including national banks, and bank holding companies and their subsidiaries engaged in the investment company activities authorized in this legislation. Because investment companies generally are deemed by the Board to be engaged in prohibited activities under section 32, the Act also amends section 32 to permit management interlocks between member banks or bank holding companies and the investment companies sponsored by their affiliates.

SEC. 7. Permitting a bank holding company to acquire a company which engages in investment company activities.

Section 7 of the Act amends section 4 of the Bank Holding Company Act of 1956 ("BHCA"), 12 U.S.C. §1843, to permit a bank holding company to acquire a company which underwrites the shares of and sponsors investment companies. Section 7 also provides that bank holding company affiliates engaged in the activities authorized in this legislation must make the same disclosures as are required under Section 4 of the Act for subsidiaries of national banks and State member banks.

A bank holding company's investment company activities permitted by this legislation also will be adequately supervised under current law. First, the nonbank affiliate's investment company activities will be subject to the SEC's regulatory and enforcement authority under the securities laws, as is the case with a subsidiary of a national bank or a State member bank engaged in such activities under this legislation. Second, the Federal Reserve Board has the authority to supervise and examine bank holding companies and their affiliates under the BHCA and to enforce the BHCA and other applicable banking laws. Third, the appropriate Federal banking agency for a bank subsidiary of a holding company and any subsidiary of the bank (the Comptroller of the currency in the case of a national bank and its subsidiary) will supervise and examine the bank subsidiary and its subsidiaries and enforce applicable banking statutes, including the restrictions on affiliate transactions in 12 U.S.C. §§371c and 371c-1.

SEC. 7. Effective date.

The Act becomes effective upon enactment.

SALUTE TO SHERIFF JOHN GILLESPIE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to honor one of California's truly outstanding law enforcement officers, Ventura County Sheriff John Gillespie, who retired last week after 30 years in law enforcement.

Sheriff Gillespie, who served as the county's top law enforcement officer since 1984, was an innovator who saved the taxpayers millions

of dollars through reorganization and the use of modern technology. Among his most noteworthy achievements was the formation of the Ojai Valley Senior Citizen Patrol; implementation of DARE antidrug abuse programs; and acquisition of a Cal-ID terminal for the county, enabling single fingerprint cold-search capabilities.

But even more importantly, Sheriff Gillespie helped establish Ventura County as one of the safest jurisdictions of its size in the entire Nation and the safest community west of the Mississippi, according to FBI statistics.

He also was a leader throughout the State and community, holding offices in the Peace Officers' Association of Ventura County, the Ventura County Chiefs and Sheriff's Association, and retires as president of the California State Sheriff's Association.

John began public service with a 3-year enlistment in the Marine Corps, then was hired in 1964 as a police officer in the city of Claremont. After being promoted through the ranks of lieutenant in 9 years, he was appointed chief of police in Ojai, then 2 years later was named undersheriff of the Ventura County Sheriff's Department, a post he held for a decade.

He was appointed sheriff in April 1984, and was elected to a full term in 1986 and re-elected in 1990. He leaves a professional, highly regarded department of over 900 employees serving about 304,000 county residents in unincorporated areas and the cities of Thousand Oaks, Moorpark, Camarillo, Fillmore, and Ojai.

Despite his responsibilities, he also has generously given of his time and talents to a number of community organizations, including the United Way, the American Cancer Society, the Ventura Rotary Club, and HELP of Ojai. He also received the prestigious Golden Conductor Award from the county council of the Boy Scouts of America.

Mr. Speaker, I ask my colleagues to join me in saluting John Gillespie for his outstanding record of achievement, and in wishing him and his wife, Carol, well upon his retirement.

SALUTE TO SGT. MAJ. "MACK" MCKINNEY

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. SLATTERY. Mr. Speaker, I am honored to join many of my colleagues in Congress in honoring Sgt. Maj. "Mack" McKinney on his retirement from the Non Commissioned Officers Association [NCOA].

During his military career and 21-year tenure with NCOA, Mack has earned numerous honors and awards, including being named to the Knight Order of Excalibur, the International Rat Pack, and receiving the Award of Honor, the NCOA's highest award.

I have had the great fortune of working with Mack on several legislative efforts to benefit military personnel and their families during my tenure in Congress. Mack has distinguished himself as a dedicated servant charged with protecting the interests and rights of the members of the United States armed services.

As we begin the 103d Congress, I intend to continue Mack's efforts with the reintroduction of legislation initiated with the assistance of Mr. McKinney to extend EITC benefits to the families of military personnel and to enable children of military personnel stationed overseas to be eligible for SSI benefits.

These measures, which are intended to meet the unique needs of military families and children, deserve the timely attention of Congress and I am honored to offer them on behalf of these patriotic, but often ignored, Americans.

I can imagine no more fitting tribute to Mack than to pursue these and other important legislative initiatives on behalf of our enlisted personnel, NCO's, and their families.

I salute Mack McKinney on his retirement from NCOA and look forward to perpetuating his spirit with the enactment of legislation to benefit our NCO's, troops, and their families stationed overseas and at home.

MEDICARE DURABLE MEDICAL EQUIPMENT PATIENT PROTECTION ACT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PANETTA. Mr. Speaker, today I am introducing the Medicare Durable Medical Equipment Patient Protection Act of 1993. This bill is designed to assure that elderly and disabled Medicare recipients get the medical equipment and supplies that they may need while protecting them from the few unscrupulous providers of these services who would attempt to overcharge the beneficiaries and the Federal Government.

I am extremely alarmed by the growth in the cost of the Medicare Program. Abuse and fraud in the sale of medical equipment and supplies contribute to this problem. Medicare spending tripled between 1980 and 1990 and will triple again by the turn of the century. To a large extent, Medicare growth reflects our inability as a nation to control health spending. Health programs are consuming an ever greater proportion of the Federal budget. At their current rates of growth, it will not be possible to permanently reduce the Federal deficit unless the two major health programs, Medicare and Medicaid, can be controlled.

Given the amounts that the elderly and disabled, as well as the Federal Government, pay for medical services which truly are needed, it is unconscionable that there are some who would prey on this vulnerable population by selling them unnecessary items. While such is not the case with most Medicare suppliers of durable medical equipment, there are some who have involved themselves in an array of abusive and sometimes fraudulent activities to cheat the Government and the elderly. The legislation which I am introducing today is designed to bring an end to illegitimate practices, including:

Duping Medicare beneficiaries into accepting medical equipment that they do not need; Falsifying medical test results to establish an inappropriate need for equipment;

Establishing shell offices in order to bill Medicare at the highest possible reimbursement levels;

Unbundling medical bills into their component parts so that a higher total amount may be charged to Medicare; and,

Paying kickbacks.

Quite often, we discuss the need for additional funding in high priority public activities. However, it is essential that the money which are available be spent as efficiently as possible. Last year, I wrote to the General Accounting Office asking for a review of the management of Medicare by the contractors who process program claims and oversee operations and submit a report to Congress on proven efficiencies which should be instituted on a nationwide basis. Clearly, with 46 Medicare carriers nationwide, there is strong need for close attention to the administration of Medicare by these fiscal intermediaries with considerations of streamlining and creating uniformity.

The legislation which I am introducing builds on proposals designed to address problems in the sale of durable medical equipment debated during the 102d Congress. It will help save millions of dollars in the Medicare Program. Of equal importance, the legislation is intended to bring a halt to abusive and fraudulent practices by establishing national uniform standards and fees for companies that sell medical equipment and supplies to Medicare patients; limit the number of carriers who may pay Medicare bills for medical equipment and supplies so that an expertise can be developed in the review and processing of payments for these services; eliminate the practice of carrier shopping by requiring that all bills be paid by the Medicare carrier serving the area where the Medicare beneficiary resides; and establish application procedures and standards for companies that sell medical equipment and supplies to Medicare beneficiaries.

We should never tolerate fraud and waste in the use of public money. But such abuse is that much more intolerable when we consider the fact that the money that have been inappropriately used for durable medical equipment could be used to help extend health insurance coverage for over 35 million of our citizens who are currently uninsured. I urge my colleagues to support this measure.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Durable Medical Equipment Patient Protection Act of 1993".

SEC. 2. RESTRICTIONS ON CARRIERS.

(a) LIMIT ON NUMBER OF REGIONAL CARRIERS; PROHIBITION AGAINST CARRIER FORUM SHOPPING.—Section 1834(a)(12) of the Social Security Act (42 U.S.C. 1395m(a)(12)) is amended to read as follows:

"(12) USE OF CARRIERS TO PROCESS CLAIMS.—

"(A) DESIGNATION OF REGIONAL CARRIERS.—The Secretary may designate, by regulation under section 1842, one carrier for one or more entire regions (but not more than 5 for all regions) to process all claims within the region for covered items under this section.

"(B) PROHIBITION AGAINST CARRIER FORUM SHOPPING.—(i) No supplier of a covered item may present or cause to be presented a claim for payment under this part unless such claim is presented to the appropriate carrier.

"(ii) For purposes of clause (i), the term 'appropriate carrier' means the carrier having jurisdiction over the geographic area of the residence of the patient to whom the item is furnished, except that—

"(I) in the case of a patient who resides not more than 60 miles from a geographic area over which a second carrier has jurisdiction, such term may include the second carrier;

"(II) in the case of a patient who, at the time the item that is the subject of the claim is furnished, is temporarily residing in a geographic area other than the area of the patient's residence, such term may include the carrier having jurisdiction over the geographic area in which the patient temporarily resides; and

"(III) such term may include any other carrier considered by the Secretary to be the most appropriate carrier with respect to the claim (based on the need to efficiently administer the processing of the claim)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to contracts with carriers for items furnished on or after January 1, 1994.

SEC. 3. TREATMENT OF CERTAIN ITEMS AS COVERED ITEMS; USING REASONABLE COST AS BASIS FOR DETERMINING PAYMENT AMOUNTS.

(a) TREATMENT OF CERTAIN ITEMS AS COVERED ITEMS.—

(1) IN GENERAL.—Section 1861(n) of the Social Security Act (42 U.S.C. 1395x(n)) is amended by striking "iron lungs" and inserting "ostomy supplies, tracheostomy supplies, urologicals, surgical dressings and splints, casts, and other devices used for reduction of fractures and dislocations, iron lungs".

(2) TREATMENT AS INEXPENSIVE AND ROUTINELY PURCHASED ITEMS.—Section 1834(a)(2)(A) of such Act (42 U.S.C. 1395m(a)(2)(A)) is amended

(A) by striking "or" at the end of clause (i);

(B) by striking the comma at the end of clause (ii) and inserting "or"; and

(C) by inserting after clause (ii) the following new clause:

"(iii) which consists of an ostomy supply, tracheostomy supply, urological, or surgical dressing or splint, cast, or other device used for reduction of fractures and dislocations."

(3) CONFORMING AMENDMENTS.—(A) Section 1834(h)(4)(C) of such Act (42 U.S.C. 1395m(h)(4)(C)) is amended by striking "catheter supplies" and all that follows through "ostomy care" and inserting "and catheter supplies".

(B) Section 1861(s) of such Act (42 U.S.C. 1395x(s)) is amended—

(i) by striking paragraph (5); and

(ii) in paragraph (9), by striking the semicolon at the end and inserting the following: "but not including ostomy supplies, tracheostomy supplies, or urologicals";

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

(b) STUDY OF FEASIBILITY OF BASING PAYMENT AMOUNTS ON REASONABLE COSTS.—

(1) STUDY.—The Secretary of Health and Human Services, in consultation with carriers under part B of the Medicare program and representatives of suppliers of durable medical equipment under the program, shall conduct a study of the feasibility and desirability of basing payment amounts for covered items of durable medical equipment,

prosthetic devices, and orthotics and prosthetics under such program on the reasonable costs of such items.

(2) REPORT.—Not later than January 1, 1995, the Secretary shall submit a report on the study conducted under paragraph (1) to Congress, and shall include in the report any recommendations considered appropriate by the Secretary for changes in the manner in which payment amounts are determined under the Medicare program for the items that are the subject of the study.

(c) GUIDELINES FOR DETERMINING MEDICAL EFFECTIVENESS AND PERMITTING PAYMENT FOR UPGRADED ITEMS.—Not later than January 1, 1995, the Secretary of Health and Human Services shall establish and publish updated guidelines for carriers under part B of the Medicare program that describe the conditions under which—

(1) covered items of durable medical equipment, prosthetic devices, and orthotics and prosthetics shall be considered medically effective when furnished to an elderly patient and when furnished to a disabled patient; and

(2) a supplier of such items may furnish a patient with an item in excess of or more expensive than the standard version of the item for which payment may be made under the program.

SEC. 4. CERTIFICATION AND DISCLOSURE REQUIREMENTS FOR SUPPLIERS OF DURABLE MEDICAL EQUIPMENT.

(a) MANDATORY SUPPLIER CERTIFICATION.—

(1) IN GENERAL.—Section 1834(a) of the Social Security Act (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

"(17) CERTIFICATION OF SUPPLIERS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, no payment may be made under this part for any covered item furnished during a year (beginning with 1994) by any supplier unless the Secretary certifies (or has certified during the 4 years preceding the year) that the supplier meets the certification standards established under subparagraph (B).

"(B) ESTABLISHMENT OF STANDARDS.—The Secretary shall establish and publish certification standards for suppliers on the basis of such criteria as the Secretary considers appropriate, and shall include in the standards a requirement that the supplier furnish the Secretary with the following information:

"(i) Whether the items furnished by the supplier are purchased, warehoused, and shipped directly by the supplier or under arrangements with other suppliers.

"(ii) The identity of subcontracting or subsidiary entities or entities with which the provider is doing business which are advertising or marketing firms directly or indirectly involved in furnishing covered items to individuals entitled to benefits under this title.

"(iii) A description of all items and services furnished by the supplier to individuals eligible for benefits under this title and to providers of services or other entities furnishing items and services for which payment may be made under this title.

"(iv) A list of all States and counties in which individuals reside to whom the supplier furnishes items or services for which payment is made under this title or under a State plan for medical assistance under title XIX.

"(v) any additional information the Secretary considers appropriate.

"(C) FEES AUTHORIZED FOR CERTIFICATION.—The Secretary of Health and Human Services may require a supplier to make a payment of

an administrative fee (not to exceed \$100) with respect to a certification or renewal of a certification under this paragraph. Any fees collected by the Secretary pursuant to this subparagraph shall be deposited in the Federal Supplementary Medical Insurance Trust Fund and shall be available only for the administration of this part.

"(D) WAIVER OF REQUIREMENTS FOR CERTAIN SUPPLIERS.—The Secretary may waive or modify any of the certification standards established under subparagraph (B) or the payment of a fee required under subparagraph (C) with respect to a supplier if the Secretary determines that the majority of the items furnished by the supplier are inexpensive or routinely purchased items under paragraph (2) or that less than 25 percent of the supplier's annual gross revenues is attributable to the furnishing of covered items under this title."

(2) CONFORMING AMENDMENT.—Section 1834(h)(3) of such Act (42 U.S.C. 1395m(h)(3)) is amended by striking "Paragraph (12)" and inserting "Paragraphs (12) and (17)".

(b) PROHIBITION AGAINST ISSUANCE OF MULTIPLE PROVIDER NUMBERS.—Section 1834(a)(12) of such Act (42 U.S.C. 1395m(a)(12)), as amended by section 2(a), is further amended by adding at the end the following new subparagraph:

"(C) PROHIBITION AGAINST ISSUANCE OF MULTIPLE PROVIDER NUMBERS.—A carrier may not issue more than one provider number to a supplier of a covered item unless the issuance of multiple provider numbers is appropriate because of significant differences among the items the supplier furnishes or the geographic regions the provider serves. Nothing in the previous sentence shall be construed to prohibit a carrier from issuing a new provider number to a supplier to replace an inactive or obsolete provider number."

(c) LIMITATION OF EMPLOYMENT RELATIONSHIPS CONSIDERED BONA FIDE FOR EXEMPTION FROM ANTI-KICKBACK REQUIREMENTS.—Section 1128B(b)(3)(B) of such Act (42 U.S.C. 1320a-7b(b)(3)(B)) is amended by striking the semicolon at the end and inserting the following: ", except that any employment relationship between an employee of a nursing facility and a supplier of covered items under section 1834(a) or items described in section 1834(h) shall not be considered a bona fide employment relationship for purposes of this subparagraph."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to items or services furnished on or after January 1, 1994.

SEC. 5. PRIOR APPROVAL AUTHORIZED FOR ITEMS FURNISHED BY SUPPLIERS ENGAGED IN FRAUD OR OTHER ABUSIVE PRACTICES.

(a) IN GENERAL.—Section 1834(a) of the Social Security Act (42 U.S.C. 1395m(a)), as amended by section 4(a), is further amended by adding at the end the following new paragraph:

"(18) CARRIER DETERMINATIONS OF ITEMS FURNISHED BY CERTAIN SUPPLIERS IN ADVANCE.—

"(A) DEVELOPMENT OF LIST OF SUPPLIERS BY SECRETARY.—The Secretary shall develop and periodically update a list of suppliers that the Secretary determines (on the basis of criteria developed and published by the Secretary in consultation with representatives of suppliers, which may include prior payment experience)—

"(i) have engaged in activities which made the suppliers subject to a civil monetary penalty under section 1128A or to a criminal penalty under section 1128B;

"(ii) have furnished a substantial number of items for which payment was not made because of the application of section 1862(a)(1); or

"(iii) have engaged in a pattern of overutilization of items.

"(B) DETERMINATIONS OF COVERAGE IN ADVANCE.—A carrier shall determine in advance whether payment for an item furnished by a supplier included on the list developed by the Secretary under subparagraph (A) may not be made because of the application of section 1862(a)(1)."

(b) CONFORMING AMENDMENT.—Section 1834(h)(3) of such Act (42 U.S.C. 1395m(h)(3)), as amended by section 4(a)(2), is amended by striking "(12) and (17)" and inserting "(12), (15), (17), and (18)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 1994.

SEC. 6. STUDY OF IMPACT OF REFORMS ON ACCESS TO AND COSTS OF DURABLE MEDICAL EQUIPMENT FOR MEDICAL BENEFICIARIES.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the impact of the amendments made by this Act on the access of individuals enrolled under part B of the Medicare program to items of durable medical equipment under the program and the costs imposed on such individuals under the program for such items, and shall include in the study an analysis of the impact of the amendments on individuals enrolled under part B of the program who reside in rural areas.

(2) DURABLE MEDICAL EQUIPMENT DEFINED.—For purposes of paragraph (1), the term "durable medical equipment" means covered items under section 1834(a) of the Social Security Act and items described in section 1834(h) of such Act.

(b) REPORT.—Not later than January 1, 1995, the Comptroller General shall submit a report to Congress on the study conducted under subsection (a), and shall include in the report any recommendations considered appropriate for legislative or regulatory changes to improve the access of Medicare beneficiaries to items of durable medical equipment and to control the costs imposed on beneficiaries for such items under the Medicare program, including recommendations to impose maximum allowable limits on the amounts suppliers of such items may charge beneficiaries in the same manner as the limits imposed under the program on the amounts physicians may charge beneficiaries for physicians' services.

SEC. 7. STUDY OF ITEMS FURNISHED TO RESIDENTS OF NURSING FACILITIES.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the types, volume, and utilization of items of durable medical equipment furnished under part B of the Medicare program to individuals residing in skilled nursing facilities and intermediate care facilities, and shall include in the study an analysis of the need to apply additional controls on the utilization of such items by such individuals.

(2) DURABLE MEDICAL EQUIPMENT DEFINED.—For purposes of paragraph (1), the term "durable medical equipment" means covered items under section 1834(a) of the Social Security Act and items described in section 1834(h) of such Act.

(b) REPORT.—Not later than January 1, 1995, the Comptroller General shall submit a report to Congress on the study conducted under subsection (a).

TRIBUTE TO JIMMY SMITH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GILMAN. Mr. Speaker, in each of our communities there are public servants who, through their dedication and caring for friends and neighbors, make a difference. I would like to pay special tribute to such an outstanding individual, who retired from his mail route last year after over 33 years of dedicated service.

I would like to include in the RECORD the following accolade from one of his long time patrons, William Schneider, which was recently published in the Rockland Journal News.

[From the Rockland Journal News, Oct. 18, 1992]

A TRIBUTE TO MAILMAN JIMMY SMITH

To the Editor:

When Jimmy Smith told me that he would be retiring the next day, I felt like one of Rockland's celebrated, immovable boulders would be gone. Jimmy has been my mailman for all of the 25 years I have lived in Rockland. First, he delivered at my summer cottage and then, coincidentally, at my permanent home, which happened to be on the same route.

Like the daily milkman and the paper boy on his bicycle, time is passing such once vital people by. Now I stop at the supermarket for a quart of milk and wait forever to be checked out. A car drives by and the driver tosses the newspaper somewhere in the remote vicinity of my driveway, and when it does land close to target, I invariably smash it by driving over it. Other "missing people"—regular and occasional are the Avon Lady, the Good Humor Man, the religious groups and even the rare knife and scissor grinder. Some I welcomed, others I chased.

Now I receive phone calls day and night disturbing me from showering, reading, listening to favorite music, watching TV, and, of course, just when I have sat down to dinner and cocktails. I suspect that soon the Jimmy Smiths will all be gone and I will simply check my fax machine to receive my mail.

I do not know Jimmy well. He knew me better, for I suspect the mail tells many things to a carrier—happy times such as Christmas, birthdays and letters from distant family and friends. At times of grief, I'm sure he knew. I may have imagined it, but it seemed he put the bills near the bottom, and I am sure he could identify the occasional late notices. The junk mail also came, and because my friend Helen, who died several years ago, was a mail-order fan, the catalogues still come despite my attempts to stop them.

(I have often wished that such purveyors would be required to include a stamped reply envelope to request a discontinuance. The cost to them might encourage a purging of their lists. More important, think of savings in the waste of paper, printing and post office facilities to move these mountains of mail.)

I did not see Jimmy often. But every now and then, he would deliver something needing a signature. Seeing him coming, I would go out to the mailbox. He always had a pleasant word to say and then he moved on to the next box. You could always tell when he was on vacation (I doubt he ever called in

sick), because the mail was late, the sorting wasn't the same and the neighbors' mail was mixed in with mine. On his return, all was well on route 306 again.

A few years ago, I received a notice that the post office was planning to switch our mail route to another nearby post office rather than Suffern. The neighbors were up in arms, and we began a calling and letter campaign. Aside from the problems of changing addresses and forwarding we would lose Jimmy. Fortunately, it never happened.

Jimmy told me he has been a mailman for 33½ years, no doubt most of it on the same route. He doesn't look more than that in age. I am sure Jimmy will miss the people all along his route, but not as much as we will miss him.

WILLIAM J. SCHNEIDER,
Suffern.

INTRODUCTION OF THE BALANCED BUDGET/SPENDING LIMITATION AMENDMENT

HON. JON KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. KYL. Mr. Speaker, I rise today to introduce the balanced budget/spending limitation amendment to the Constitution.

Briefly, this amendment does three things: It requires a balanced Federal budget; it limits Federal spending to 19 percent of gross national product [GNP], and it provides the President with line-item veto authority in order to enforce the balanced budget and spending limitation requirements.

It allows the balanced budget and spending limitation requirements to be waived by a three-fifths vote of each House for a given year and for a specified excess of outlays over receipts or over 19 percent of GNP.

The balanced budget/spending limitation amendment, which is identical to the substitute amendment I offered during House consideration of alternative balanced budget amendments last June, is based upon two fundamental premises.

First, the Federal Government must begin to live within its means.

Second, how the Government lives within its means is as important as the mere fact that it does live within its means. When the American people say they want a balanced budget, they mean less government spending, not an increase in their already heavy tax burden.

My amendment protects against tax increases by limiting spending to the average level of revenue the Government has been collecting for the last 25 years.

By tying Federal spending to GNP, it also gives Congress the incentive to enact pro-growth economic policies. The more the economy grows, the more Congress can spend.

The need for a Federal spending limit is evidenced in two reports, one released by the General Accounting Office [GAO] just before the House vote last June. The GAO projected that, based on current trends, Federal spending could grow to 42.4 percent of GNP by the year 2020, from about 25 percent today, with a real per capital GNP in the year 2020 unchanged from the current level of \$24,000 a

year. In other words, if Federal spending isn't limited, there will be no improved standard of living for the next generation.

A report released in 1991 by Stephen Moore of the Institute for Policy Innovation came to similar conclusions about the proportion of GNP the Government will command if current trends are followed. The report concluded that "meaningful, constitutional limits on the growth of Federal spending are needed to bring the size of government down to economically sustainable levels. One way to achieve this end would be to limit the percentage of GNP which the Government can command from the private economy."

This is precisely what the balanced budget/spending limitation amendment will do.

I urge my colleagues to support this much needed amendment, and I ask that it be reprinted in the RECORD at this point:

H.J. RES. —

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE —

"SECTION 1. Except as provided in this article, outlays of the United States Government for any fiscal year may not exceed its receipts for that fiscal year.

"SECTION 2. Except as provided in this article, the outlays of the United States Government for a fiscal year may not exceed 19 percent of the Nation's gross national product for that fiscal year.

"SECTION 3. The Congress may, by law, provide for suspension of the effect of sections 1 or 2 of this article for any fiscal year for which three-fifths of the whole number of each House shall provide, by a rollcall vote, for a specific excess of outlays over receipts or over 19 percent of the Nation's gross national product.

"SECTION 4. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for the repayment of debt principal.

"SECTION 5. The President shall have power, when any Bill, including any vote, resolution, or order, which contains any item of pending authority, is presented to him pursuant to section 7 of Article I of this Constitution, to separately approve, reduce, or disapprove any spending provision, or part of any spending provision, contained therein.

"When the President exercises this power, he shall signify in writing such portions of the Bill he has approved and which portions he has reduced. These portions, to the extent not reduced, shall then become a law. The President shall return with his objections any disapproved or reduced portions of a Bill to the House in which the Bill originated. The Congress shall separately reconsider each such returned portion of the Bill in the manner prescribed for disapproved Bills in section 7 of Article I of this Constitution. Any portion of a Bill which shall not have been returned or approved by the President within 10 days (Sundays excepted) after it shall have been presented to him shall become a law, unless the Congress by their ad-

journalment prevent its return, in which case it shall not become a law.

"SECTION 6. Items of spending authority are those portions of a Bill that appropriate money from the Treasury or that otherwise authorize or limit the withdrawal or obligation of money from the Treasury. Such items shall include, without being limited to, items of appropriations, spending authorizations, authority to borrow money on the credit of the United States or otherwise, dedications of revenues, entitlements, uses of assets, insurance, guarantees of borrowing, and any authority to incur obligations.

"SECTION 7. Sections 1, 2, 3, and 4 of this article shall apply to the third fiscal year beginning after its ratification and to subsequent fiscal years, but not to fiscal years beginning before October 1, 1997. Sections 5 and 6 of this article shall take effect upon ratification of this article."

H.R. 345, THE COMPREHENSIVE PHYSICIAN OWNERSHIP AND REFERRAL ACT OF 1993

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. STARK. Mr. Speaker, I am today introducing the Comprehensive Physician Ownership and Referral Act of 1993. This bill will prevent physicians from referring patients to other providers with which the referring physician has a financial relationship. In so doing, the bill will protect consumers of health care from unneeded procedures and will save the health care system millions and millions of dollars.

The bill codifies action recently taken by the American Medical Association's House of Delegates. At its most recent meeting, the AMA endorsed the earlier decision by the association's Council on Ethical and Judicial Affairs which found unethical the practice of referring patients to providers with which the physician was financially associated.

The bill would make illegal any referral by a physician, no matter what the source of payment was expected to be. Unlike current law, which focuses solely on Medicare, this bill would assure that Medicaid, Blue Cross/Blue Shield, commercial insurers, and health maintenance organizations would all be similarly protected from unneeded and expensive referrals.

Prohibited referrals would include those made for clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography, and ultrasound services; furnishing of durable medical equipment; furnishing of parenteral and enteral nutrition equipment and supplies; furnishing of outpatient prescription drugs, ambulance, home infusion therapy, and inpatient and outpatient hospital services.

Unfortunately, one of the reasons some physicians perform unnecessary procedures is that they earn a higher profit as a result. This is particularly true in the case of physicians who invest in facilities to which they can refer patients for specialty care. Studies have shown that as many as 25 percent of proce-

dures provided to patients in this country are not needed.

This issue comes down to one major point. That is, whether or not you believe that turning a physician's decision to refer a patient into a marketable commodity is good medicine; indeed is it good economics? I do not.

Physician ownership/referral arrangements represent an exploding virus which ultimately will erode the trust patients have traditionally placed in their physicians. The bad thing is that we are quickly getting to the point where each of us is going to have to wonder if we are getting referred for a health service because we need it or because it would fatten our physician's dividend check.

This trend is spreading rapidly. Health care providers are learning that the best way to secure market share is to set up a partnership with referring physicians. When this happens, competitive pressures force other providers to defend market share with partnership arrangements.

As a result I expect that partnerships with referring physicians will be the dominant mode of organization in the health care system in 5 to 10 years, absent passage of this legislation.

As the former inspector general of the Department of Health and Human Services, Richard Kusserow, wrote to me:

Our experience over the last three years convinces us that the pattern of physician investment as limited partners has rapidly increased. It is likely that, if no new legislative restrictions are enacted, we will witness a noticeable increase in the formation of such relationships.

While some of these partnerships may be well intentioned, a review of the offering material indicates that most are deliberately structured as conduits for payment to doctors in exchange for referrals.

In other words, these are kickbacks under another name.

Current Medicare law prohibits the payment of "any remuneration, directly or indirectly, overtly or covertly, in exchange for patient referrals. Although this language potentially covers many of these arrangements, it is hard to enforce and it does not apply to payments made by private payers such as Blue Cross.

The only way to protect health care consumers from unnecessary referrals is to impose a bright line rule, as proposed by this bill, which will make clear which arrangements are not allowed.

This is an issue with which the Congress has been grappling for some time. In OBRA '89 based on data reported by the inspector general and the General Accounting Office, referrals to clinical laboratories with which a referring physician has a financial relationship were banned. That law went into effect January 1, 1992.

At that time we decided to focus on clinical laboratories because the reports before us clearly indicated that ownership of labs by referring physicians led to higher use of lab services, and higher costs to Medicare.

Since then the impact of referral arrangements on utilization and on costs to Medicare and to the health care system generally has been carefully studied. One such study, conducted by the Florida Health Care Cost Containment Board, is worthy of particular attention.

Not surprisingly, the Florida study supports what I have contended all along—physician ownership/referral arrangements cost all of us money. Additional analyses conducted by the General Accounting Office, and the Office of the Inspector General, further support this finding.

I believe that the time to act on this issue has come. Enough evidence has accumulated to show that the buying and selling of referrals is costing all of us money and subjecting many of us to medical procedures and tests which we do not need. By enacting a comprehensive, across-the-board ban on referrals, we can protect and improve consumers' confidence in their physicians, as well as in the health care system generally.

Referrals by physicians with an ownership interest should be banned. Given the recent action by the AMA, as well as the inclusion of a broad ban on referrals in the House Republican task force health reform bill in the last Congress, I hope we can move forward immediately on a bipartisan basis to enact a comprehensive ban on referrals early this year. I look forward to working with my colleagues toward that goal.

A summary of my bill follows:

COMPREHENSIVE PHYSICIAN OWNERSHIP AND REFERRAL ACT OF 1993

SUMMARY

1. Application of ban on self-referral to all payers

The bill provides that any physician, whether participating in a public or private health care program, including Medicare, Medicaid, Blue Cross/Blue Shield, a commercial carrier, or a Health Maintenance Organization (HMO), could not refer patients to an entity for the furnishing of "Designated Health Services" with which the physician has a financial relationship.

2. Extension of ban to designated health services

The bill provides that "Designated Health Services" include the following: Clinical laboratory services, physical therapy services, occupational therapy services, radiology services (including magnetic resonance imaging, computerized axial tomography, and ultrasound services), furnishing of durable medical equipment, furnishing of parenteral and enteral nutrition equipment and supplies, furnishing of outpatient prescription drugs, ambulance, home infusion therapy, and inpatient and outpatient hospital services (including rehabilitation and psychiatric hospital services).

3. Continuation of current exceptions to the general rule

The exceptions in current law to the general ban on referrals would be continued with additional changes noted below. General exceptions to both the ownership and compensation bans include: (i) physicians' services provided by (or under the personal supervision of) the physician or another physician in the same group practice; or (ii) in-office ancillary services provided by the physician or another physician in the same group practice.

To be exempted from the referral ban the services must be provided in a building in which the physician or other member of the group practice provides services unrelated to laboratory services, or in a central building set up by the group to perform ancillary services for its members. The services must be billed by the physician performing or su-

pervising the services, or by that physician's group, or by an entity entirely owned by the physician or group practice.

Also excepted from the ban on ownership and compensation are: (i) services provided by a prepaid health plan to its enrollees; or (ii) other financial relationships, specified by the Secretary in regulations, that do not pose a risk of program or patient abuse.

Exceptions to the ownership or investment prohibition include: (i) ownership of publicly-traded investment securities purchased in a corporation listed on a major stock exchange, if that corporation has bona fide total assets exceeding \$100 million; (ii) services provided by a hospital in Puerto Rico; (iii) services provided by a rural entity; and (iv) services provided by a hospital where the referring physician is a member of the hospital's staff and the ownership or investment interest is in the hospital as a whole as opposed to subdivision of the hospital.

Exceptions relating to compensation arrangements include: (i) payments for rental of office space meeting specified standards; (ii) employment and service arrangements with hospitals if the arrangement is for administrative services; (iii) services arrangements with entities other than hospitals if the arrangement is for specific identifiable services as a medical director or member of a medical advisory board, specific identifiable physicians' services for certain hospice services, specific physicians' services furnished to a non-profit blood center, or other identifiable administrative services under exceptional circumstances specified by the Secretary; (iv) physician recruitment arrangements meeting specified standards; (v) isolated transactions such as a one-time sale of property; and (vi) salaried physicians of a group practice.

4. Modifications of current law exceptions

A series of modifications would be made to the exceptions to the general ban on referrals in current law:

Treatment of group practices: Ancillary services provided by a group practice with multiple locations would be exempted from the prohibition on referrals. In addition to the current law standards relating to group practices, groups would be required to bill under a billing number assigned to the group. The definition of a faculty practice plan would be expanded to include faculty of an institution of higher learning or a medical school.

Rental of office space and equipment: The current law exceptions relating to compensation arrangements would be clarified and expanded. An exception would be provided for rental of office space or of equipment if: (i) the lease arrangement were set out in writing and signed by the parties; (ii) the lease specifies the premises or equipment covered; (iii) if the lease is intended to provide the lessee with access to the premises or equipment for periodic intervals of time, the lease specifies exactly the schedule of such intervals, their precise length, and the exact rent for such intervals; and (iv) the aggregate rental change is set in advance, is consistent with fair market value in arms-length transactions, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties.

Bona fide employment relationships: The exception for employment and service arrangements with hospitals would be broadened to include any amounts paid by any employer (including providers other than hospitals) to an employee with a bona fide employment relationship for the provisions of services. The standards for the exception relating to

service arrangements between physicians and hospitals under current law also would apply to this broader provision.

Periodic, sporadic, or part-time services: An exception would be provided for payments by a provider to a physician not employed by the provider for certain other items or services provided on a periodic, sporadic, or part-time basis.

Items and services included under this provision are: (i) consultative services that relate to test results that are outside established parameters, are furnished by a physician other than the referring physician (or by a member of the referring physician's group practice), and for which the physician furnishes a written report for that patient; (ii) interpretation of tissue pathology, pap smear slides, or other cytology services; (iii) phlebotomy services for paternity or toxicology testing where the services are furnished by a physician other than the physician referring the patient for such testing (or by another physician which is a member of the same group practice); (iv) employment-related health care services; (v) services required by local, State, or Federal licensure (including those relating to the function of clinical consultant as required by Medicare and the Clinical Laboratory Improvement Act (CLIA)), accreditation, or other health and safety provisions; or (vi) services provided by a specialist physician under contract to a group practice to provide services not otherwise available directly through physician-members of the group.

To qualify for this exception, the terms of the compensation agreement would be required to be set out in writing, and the agreement would have to specify the services covered, the compensation for each unit of service provided under the agreement, and the schedule for the provision of such services. The aggregate compensation paid over the terms of the agreement would be required to be consistent with the fair market value of the services in arms-length transactions. The services performed under the agreement could not involve the counseling or promotion of a business arrangement or other activity that violates any State or Federal law.

Payments by a physician: An exception would be provided for payments by a physician to an entity as compensation for an item or service, if the item or service is furnished at a price that is consistent with the fair market value established in arms-length transactions and is generally available to referrers and non-referrers alike on similar terms and conditions.

An exception would be provided for payments by a physician to a clinical laboratory in exchange for the provision of clinical laboratory services.

Payments for pathology services of a group practice: An exception would be provided for payments by a provider to a group practice for pathology services, subject to similar standards to those provided for bona fide employment relationships.

Clinical laboratory services furnished under arrangements: An exception would be provided for clinical laboratory services provided by a group practice under arrangements with a hospital if the arrangement began prior to December 19, 1989 and meets standards similar to those provided for bona fide employment relationships.

Rural providers: Compensation arrangements relating to the provision of services in rural areas (as defined for purposes of the hospital prospective payment system) would be exempt from the ban on referrals.

Minor remuneration: An exception would be provided for certain minor remuneration, including (i) the forgiveness of amounts for inaccurate or mistakenly performed tests or procedures, correction of minor billing errors; (ii) the provision of items, devices, or supplies used to collect, transport, process, or store specimens or to communicate test results; or (iii) the furnishing of clinical laboratory services to a group practice affiliated with an entity, if the entity provides all or substantially all of the group's laboratory services.

5. Effective date

The extension of the ban on referrals to all payers and to designated health services would be effective two years after the date of enactment. The changes in exceptions would apply to referrals made on or after January 1, 1992.

SALUTE TO WAYNE LEE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GALLEGLY. Mr. Speaker, I am proud to rise today to honor a giant among California newspaper publishers, who recently completed 16 years at the helm of my hometown newspaper.

During his tenure at the Simi Valley Enterprise, Wayne Lee turned a small 3-day-a-week newspaper into an award-winning daily that frequently has been honored as one of the best newspapers of its size.

Known for his strong opinions and feisty attitude, Wayne strongly believes in the journalistic credo of "comfort the afflicted and afflict the comfortable," as any number of public officials, myself included, can personally attest. But unlike some of his colleagues, Wayne is quick to praise as well, both publicly and privately.

And while some of his young staffers over the years grumbled that he believed if a sparrow fell in Simi Valley or Moorpark, it should be in the Enterprise, they later realized just how much they had learned under his tutelage after they graduated to such journalistic pillars as the Associated Press, the Los Angeles Times, the Orange County Register, and the Atlanta Constitution.

But Wayne deserves recognition for more than journalistic excellence. In an era in California where some thought that less was more and progress was bad, this son of Kansas was an unabashed booster of his adopted hometown. He worked constantly to help promote jobs and opportunities in Simi Valley and to help transform a sleepy bedroom community into one of the finest cities in the entire Nation.

On a personal note, Mr. Speaker, Wayne and I go back a long, long way. We've done many things, we've laughed, disagreed, and had some things that have happened over the years that have caused great concern, but I have tremendous respect for what he's done for the community. I always knew how things were going by the conversation we were having. If he referred to me as Elton, things were fine. If he referred to me as Congressman, I knew I had overstepped the line. In short,

Wayne Lee has been more than a publisher; he's been a friend.

And now, in one of those ironies of life that we simply can't understand, Wayne is fighting lung cancer that was diagnosed shortly before he was to assume his new position as publisher of the Pulitzer Prize-winning Hutchinson News in Kansas. I ask my colleagues to join me in saluting Wayne Lee, but more importantly, I ask them to join me in keeping him and his wife, Patti, in our thoughts and our prayers.

TRIBUTE TO MINNIE COLLINS BOYD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. EDWARDS of California. Mr. Speaker, I know my colleagues will want to join me in expressing heartfelt condolences to the Honorable Willie L. Brown, Jr., speaker of the California State Assembly, whose beloved mother Minnie Collins Boyd died on January 2, 1993.

I want to share with my colleagues a resolution that was passed by the California State Assembly on January 5, 1993, in remembrance of Minnie. The resolution follows.

RESOLUTION

Member's resolution by the Honorable Willie L. Brown, Jr., Speaker of the Assembly; Relative to memorializing Minnie Collins Boyd

Whereas, The passing of Minnie Collins Boyd, whose good deeds and fine example earned for her the respect and admiration of her family and the countless individuals whose lives she touched, brought immense sorrow and loss to people throughout the State of California; and

Whereas, Minnie Collins was born on February 11, 1909, in Mineola, Texas, to the late Richard Collins and Anna Lee Nolan Collins; and

Whereas, Following her graduation from high school in Sulphur Springs, Texas, she worked for more than 60 years as a maid in homes throughout the Dallas area; and

Whereas, She was married for more than 51 years, and she was profoundly dedicated to her five children, in whom she instilled the confidence and determination to achieve their highest potential, two becoming school teachers, one a lawyer, one a city manager, and one a civic activist; and

Whereas, Minnie Boyd was a member of the Goodstreet Baptist Church in Dallas for more than 51 years, where she was a soloist in the church choir, and she was a staunch member of Sisterhood and active in Sunday School; and

Whereas, Minnie Boyd, who traveled extensively, toured Europe with a friend for three weeks in 1991, at the age of 82 years, and in 1992 she toured the Caribbean; and

Whereas, Each year on her birthday, she played hostess for a "family" reunion of many friends who treasured her company; and

Whereas, Minnie Boyd was a woman of good humor whose positive attitude and concern for the welfare of others were her hallmark, and her memory will live forever in the hearts and minds of those people who were fortunate enough to have known her; and

Whereas, Her memory will be cherished by her husband, Joseph Boyd; one of her four brothers, Itzie Collins of San Francisco, California; her five children, Babe Dalle Hancock, her husband, Forrest, and their nine children, of San Diego; Lovie C. Boyd and her 12 children, of Ennis, Texas; Gwendolyn Hill, her husband, Ernest, and their daughter, of Dallas, Texas; Willie L. Brown, Jr., his wife, Blanche, and their three children, of San Francisco, California; and James Walton and his wife, Marilyn, of Tacoma, Washington; and her 32 great-grandchildren; now, therefore, be it

Resolved by Speaker of the Assembly Willie L. Brown, Jr., That he expresses his deepest regret at the passing of Minnie Collins Boyd, and, by this resolution, memorializes her for the love and devotion that she gave to her family and friends and for her inspiration to others to relish every new day and to live life to its fullest.

HOSPICE COVERAGE UNDER MEDICAID

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation to make hospice coverage a mandatory benefit under the Medicaid Program. This compassionate and cost-effective service for the terminally ill and their families was made an option under Medicaid in legislation passed and enacted during the 99th Congress. At the same time, the hospice Medicare benefit was made permanent. More recently, the Omnibus Budget Reconciliation Act of 1990 increased Medicare hospice reimbursement. I was proud to have been the sponsor of these pieces of legislation and I am pleased to introduce this bill today to extend the Medicaid hospice benefit.

Hospice is the practice of caring for the terminally ill in their homes and communities, in a familiar setting among family and friends. Over the previous decade, there has been enormous growth in the hospice movement. Today there are over 1,700 hospice programs in operation throughout the country, many of these are full-service programs certified by Medicare.

Through this innovative means of support, a team of health care professionals and other specialists strive to make the remainder of a patient's life as comfortable and meaningful as possible by providing medical and therapeutic attention in a familiar surrounding. In this way, hospice helps people cope with the physical, emotional and spiritual hardships of terminal illness. This is enormously important, not only for the patient, but for their family as well.

Just as important as the humanitarian contributions of hospice, however, is the fact that hospice programs save money. Hospice allows people to move out of acute care facilities and into less expensive care arrangements. At a time when this body focuses on reforming our Nation's health care system, we must not lose sight of the savings found through hospice care.

Mr. Speaker, when the legislation making hospice an option under Medicaid was first introduced, the aim was to make this form of

care for the terminally ill available to those with low incomes and their families who bear the emotional and financial trauma of terminal illness with the least resources. While the Medicare benefit makes hospice available to all qualified elderly and disabled, Medicaid beneficiaries nationwide still may not have needed access to the same services.

Unfortunately, the group without hospice coverage includes a large number of AIDS patients, and will include many more as we continue to confront the scourge of this tragic disease. Given the likely retribution of the recent court decision in the case of McGann versus H.&H. Music Company, many HIV and AIDS-infected individuals can no longer count on employer coverage to help confront their costs. Too many individuals and their families have been, and will continue, to be put in the position of financial ruin because of this devastating terminal illness.

There is obviously a pressing need to care for the rapidly growing number of persons who are dying of AIDS, and this must be done in the most cost-effective and compassionate manner possible. Hospice, with its combination of inpatient and outpatient care, provides the most appropriate means of providing for this group.

Although it is encouraging that many States currently provide hospice care to Medicaid beneficiaries, I believe that the current and future health care situation warrants making the hospice Medicaid benefit mandatory. I urge my colleagues to give their approval to this measure to provide access to hospice coverage for those who need it most, while saving taxpayer and Government funds in the process.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REQUIRING MEDICAID COVERAGE OF HOSPICE CARE.

(a) IN GENERAL.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended—

(1) in subparagraph (A), by inserting "(18)," after "(17)," and

(2) in subparagraph (C)(iv), by inserting "and (18)" after "(17)".

(b) EFFECTIVE DATE.—(1) The amendments made by this section apply (except as provided under paragraph (2)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after July 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation authorizing or appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the

case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

A LOST OPPORTUNITY: USAIR- BRITISH AIRWAYS

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. NEAL of North Carolina. Mr. Speaker, the Bush administration's opposition has caused British Airways to withdraw its offer to invest \$750 million in USAir.

This is an unfortunate development. The USAir-British Airways partnership would have made USAir a much stronger airline without sacrificing American control of the company. The deal would have preserved American jobs, increased competition, improved service, and given a needed boost to the U.S. economy.

Mr. Speaker, it is almost inconceivable that our Government would reject such an opportunity, given the condition of our economy and our airline industry. But the administration's obvious reluctance has led British Airways to back out.

Two recent editorials in the Washington Post and the Winston-Salem Journal lament the loss of this opportunity and make strong arguments for the USAir-British Airways arrangement. I commend these editorials to our colleagues and especially to the incoming Clinton administration. The new leaders of our Government would be wise to reconsider the British Airways deal and seek to revive it.

I ask that the two editorials be reprinted in the RECORD at this point.

[From the Winston-Salem Journal]

GOOD FOR U.S. AND USAIR

You can't really blame Delta, American and United airlines for fighting the proposed agreement between USAir and British Airways. From their perspective, it may well be true that the arrangement would have been bad for business. But it is a rather sad commentary on the influence those airlines have on their country's government that the deal has been scuttled. It would have been good for the United States, as well as USAir.

The two arguments used against the proposal, which would have given British Airways 21 percent of USAir voting stock and four directors in return for \$750 million, were that it's illegal for a foreign country to buy control of a U.S. carrier and that the deal would have provided unlimited access for British Airways to U.S. airports without allowing U.S. airlines similar privileges in Great Britain. Neither of those arguments is compelling.

While it is true that the proposal would have given British Airways considerable say in the operations of USAir, it would not have given British Airways control of USAir. Even if British Airways had acquired additional stock (under the agreement, it could have obtained up to 24 percent as it became available), the total would still be under the legal limit of 25 percent.

The unfair-access argument falls down on both sides of the Atlantic. On the U.S. side, it would not be British Airways but USAir that had the broad access to U.S. markets.

More scheduling coordination would undoubtedly have made it more likely that British Airways passengers and cargo would transfer to USAir inside the United States, but that arrangement doesn't need government approval anyway. On the British side of the ocean, the issue was not broad access but unlimited access to London's Heathrow Airport. The United States doesn't give any foreign carriers unlimited access to major U.S. airports such as JFK in New York and there is no reason that the British should do so at Heathrow.

Even a fully merged USAir and British Airways wouldn't have anywhere near the number of trans-Atlantic flights that any of the three airlines objecting to the deal already have.

Ultimately the failure of the deal to win U.S. approval hinged on the fact that USAir doesn't have the lobbying clout in Washington that Delta, United and American, especially in combination with United Parcel Service and Federal Express, have. The Big Three's arguments against the proposal were a combination of fear-mongering and exaggeration designed to keep their club membership at three, rather than expanding it to four. Politics—not law, equity or efficacy—caused the deal to collapse.

USAir would have benefited from the deal. But the American people would have as well—through increased competition providing better service at lower fares and through improved job security for USAir employees.

[From the Washington Post]

A LOSS FOR USAIR—AND THE PUBLIC

With the Bush administration poised to disapprove what would have been a welcome airline partnership for the traveling public, British Airways has abandoned its proposal to buy a major share of USAir. That's a victory for other U.S. carriers that had been lobbying furiously against the proposed arrangement on a number of grounds—all of which boiled down to fear of much stiffer competition. Their highest grounds were that the proposal should be tied directly to increased access by all U.S. carriers to passengers in Britain. The effort to secure more rights in Britain should be pursued, but so should foreign investment in domestic airlines to improve prospects for a competitive U.S. airline industry. For now, at least, neither the government's negotiations with Britain nor the USAir-British Airways exploration of a new relationship have been abandoned.

British Airways had proposed to invest \$750 million in USAir in exchange for 44 percent ownership and 21 percent of the voting rights in the U.S. carrier. U.S. law allows foreign nationals to acquire up to 49 percent of the equity and 25 percent of the voting stock, but under no circumstance to "control" a carrier. British Airways had sought the agreement to gain more access to the U.S. market. It now is allowed to fly only point-to-point between Britain and the United States, with no traveling on to other U.S. destinations. The USAir relationship would have provided "feeder" traffic for British Airways from places served by USAir, and it would have fed passengers from Britain to USAir for connections.

Transportation Secretary Andrew H. Card Jr. agrees that (1) carriers from everywhere would benefit from a loosening of restrictions, which would feed competition, and (2) that U.S. carriers certainly could benefit from more foreign investments. The USAir-British Airways proposal could have begun to serve both these ends. But the decisions this week advance nothing.

REPEAL OF SOCIAL SECURITY EARNINGS TEST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GILMAN. Mr. Speaker, yesterday I introduced legislation which eliminates the earnings test for Social Security beneficiaries over the age of 65, as well as raises the cap on outside earnings for those Social Security beneficiaries between the ages of 62 and 65, (H.R. 37).

Under current law, Social Security beneficiaries under the age of 70 who are employed or self-employed receive their full benefits unless their earnings exceed the annual earnings limitation. My bill eliminates the earnings test for senior citizens over the age of 65, and raises the present limitation on exempt income from \$7,562 to \$9,949 for senior citizens between the ages of 62 and 65.

Currently senior citizens over the age of 65 lose \$1 for every \$3 which they earn over the income cap. While this is an improvement over the previous 1:2 reduction—a reduction that those seniors under the age of 65 are still subject—the reduction translates into a draconian tax rate of 33 percent for our Nation's seniors. A tax rate that is not affordable by most seniors.

Take for example a senior over the age of 65 earning a modest amount just over the earnings cap is subject to the earnings test 33 percent marginal tax. When the income and Social Security taxes that seniors pay are added, the total tax bill can reach 60 percent of a senior's earnings.

The Social Security earnings test originated with the creation of the Social Security system in 1935. One purpose was to remove older workers from the labor force in order to create jobs from the young. However, in today's labor situation, seniors are able to meet the increasing demand for service-oriented workers, and most importantly, they enjoy working. By allowing seniors to return to the work force they will provide many benefits to our Nation, such as increased tax revenues, as well as alleviating the depression and loneliness that often accompanies the later years in an individual's life.

Senior citizens make up approximately 35 million of the population, and this number is growing steadily. Our Nation's seniors are skilled, knowledgeable, reliable, and eager to work.

Mr. Speaker, I urge all my colleagues to take this opportunity to help our Nation's seniors by reforming the earnings test.

I insert at this point in the RECORD the full text of my bill for review, and I invite my colleagues to cosponsor this vital measure.

H.R. 37

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Earnings Test Amendments of 1993".

SEC. 2 ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in paragraph (1) of subsection (c) and paragraphs (1)(A) and (2) of subsection (d), by striking "the age of seventy" and inserting "retirement age (as defined in section 216(1))";

(2) in subsection (f)(1)(B), by striking "was age seventy or over" and inserting "was at or above retirement age (as defined in section 216(1))";

(3) in subsection (f)(3), by striking "33 percent" and all that follows through "any other individual," and inserting "50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8)," and by striking "age 70" and inserting "(retirement age (as defined in section 216(1)))";

(4) in subsection (h)(1)(A), by striking "age 70" each place it appears and inserting "(retirement age (as defined in section 216(1)))"; and

(5) in subsection (j), by striking "Age Seventy" in the heading and inserting "Retirement Age", and by striking "seventy years of age" and inserting "having attained retirement age (as defined in section 216(1))".

(b) CONFORMING AMENDMENTS.—

(1) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in the last sentence of subsection (c), by striking "nor shall any deduction" and all that follows and inserting "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60."; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60.".

(2) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of such Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking "either"; and

(B) by striking "or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit".

SEC. 3. INCREASE IN EXEMPT AMOUNT UNDER EARNINGS TEST FOR BENEFICIARIES UNDER RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended to read as follows:

"(D)(i) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual shall be \$829.16 for each month of the individual's taxable year ending after 1993 and before 1995.

"(ii) For purposes of subparagraph (B)(ii)(II), the increase in the exempt amount provided under clause (i) shall be deemed to have resulted from a determination which shall be deemed to have been made under subparagraph (A) in 1993.".

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f) of such Act (42 U.S.C. 403(f)) is further amended—

(A) in paragraphs (1), (3), and (4)(B), by striking "the applicable exempt amount" and inserting "the exempt amount";

(B) in paragraph (8)(A), by striking "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting "a new exempt amount which shall be effective"; and

(C) in paragraph (8)(B)—

(i) by striking "the exempt amount" and all that follows through "whichever" in the matter proceeding clause (i) and inserting "the exempt amount for each month of a particular taxable year shall be whichever";

(ii) by striking "corresponding" in clause (i); and

(iii) by striking "an exempt amount" in the last sentence and inserting "the exempt amount".

(2) Section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "the applicable exempt amount" and inserting "the exempt amount".

(3) Section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking "which is applicable to individuals described in subparagraph (D) thereof" and inserting "which would be applicable to individuals described in subparagraph (D) thereof as in effect on December 31, 1993, but for the amendments made by the Social Security Earnings Test Amendments of 1993".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1993.

LEGISLATION TO EXTEND ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME TO ALL CHILDREN OF U.S. MILITARY PERSONNEL STATIONED OVERSEAS

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. SLATTERY. Mr. Speaker, I rise today to reintroduce legislation to extend eligibility for Supplemental Security Income [SSI] benefits to all children of U.S. military personnel stationed overseas.

I introduced legislation almost 3 years ago, included in the Omnibus Budget Reconciliation Act of 1990, which I hoped would accomplish this. Those provisions were amended during conference, however, to require that children by receiving SSI benefits in the United States in order to continue receiving them overseas. The language thus denies eligibility to children born overseas, and children diagnosed with disabilities after moving overseas. The bill I am offering today would simply eliminate the requirement that children be receiving benefits prior to their move abroad.

This is a simple matter of fairness. The number of children affected is very few: Under 50, according to the Department of the Army's Office of the Surgeon General. But to enlisted personnel struggling to care for their disabled children while stationed overseas, the extra benefits are crucial. These soldiers pay U.S. taxes, vote in U.S. elections, and defend U.S. citizens. There is no reason they should be penalized because they are sent abroad by the military. Mr. Speaker, this bill finishes the job I began in 1990, and I urge its adoption.

INTRODUCTION OF LEGISLATION TO SUSPEND THE DUTY ON TAMOXIFEN CITRATE

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. MOAKLEY. Mr. Speaker, I rise today to bring to your attention legislation I have introduced, which would extend for an additional 3 years the duty suspension on tamoxifen citrate. Tamoxifen is one of the most effective drugs used to treat women with breast cancer and prevent its recurrence.

Breast cancer is the second leading cause of cancer death in women, and the leading cause of cancer death for women between the ages of 34 and 54. Each year, approximately 170,000 American women are diagnosed with breast cancer. Too often the results are fatal. Breast cancer kills 46,000 American women annually. By the year 2000, an additional half a million women are expected to die from this disease. An alarming trend is that the incidence of breast cancer has increased, while the incidence of other deadly cancers has decreased. In 1960, 1 in 20 women were diagnosed with breast cancer, and in 1989, that rate increased to 1 in 10. Even more disconcerting is the fact that the death rate for breast cancer has remained the same for the past 40 years, despite numerous medical advances and an increase in the number of early detections. Women with a family history of breast cancer continue to have an increased risk of getting the disease, but 70 percent of those who get the cancer have no known risk factors. Much still needs to be learned about breast cancer.

Tamoxifen citrate has been used to treat breast cancer in the United States since 1978. It has proven to be one of the most effective treatments in delaying the recurrence of breast cancer in women. A recent study showed that women who were diagnosed with breast cancer and received tamoxifen, reduced by 40 percent their chance of getting the cancer again.

I introduced this legislation mainly because of tamoxifen's history of preventing the recurrence of breast cancer in women. Legislative efforts to expand the program so thousands of breast cancer patients can continue to receive this product are essential. However, there are several other important reasons why this legislation is crucial.

First, the company that produces this product has a considerable history of helping breast cancer patients both economically and educationally. The company that manufactures this product is one of seven pharmaceutical companies that has agreed to keep price increases on its products to the Consumer Price Index. Additionally, the company provides the product free of charge of those women who cannot afford the cost of the treatment. Since 1978, the company has given \$35 million worth of tamoxifen to more than 32,000 poor women. Furthermore, the company is committed to providing educational programs for the early detection of cancers. Early detection and localization of cancer can greatly improve an individual's chances of survival. The survival

rate for cancer that is detected in the earliest stage is as high as 90 percent. These programs to assist breast cancer patients are invaluable.

Second, there is no other comparable drug marketed in the United States. The company that produces this product does not compete in manufacturing this product with any U.S. company. Thus, this legislation does not create an unfair playing field.

Third, the company that manufactures this product is committed to research in the area of breast cancer. It provides considerable funding for clinical and basic research through its patient assistance program. Additionally, the company agreed to provide millions of tablets, free of charge, for a new long-term clinical study by the National Cancer Institute. Up-to-date research is critical if we want to decrease the incidence of breast cancer.

Thus, I strongly support extending the duty suspension for tamoxifen, the primary drug for treating advanced stages of breast cancer. Thousands of American women can benefit from this legislation.

THE NATIONAL PUBLIC WORKS CORPORATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. CLINGER. Mr. Speaker, the legislation that I introduced today is one important answer to the growing need for a mechanism to finance public facilities with a minimum drain on Federal spending and a high degree of capital leveraging. The Nation's ability to encourage the expansion of business and the development of new industries is constrained by the difficulty of delivering public services. Economic productivity cannot increase if our public facilities are unable to support growth.

Just to maintain our current level of public services over the next 20 years—without any major new expansion in the economy—it is estimated that we would need to spend between \$1 and \$3 trillion. In a report issued in 1988, the National Council on Public Works Improvement recommended that total public investment must double if we're to match expected growth. At the same time, however, State and local governments are still in the best position for determining project priorities that address the most serious and immediate challenges confronting their economic development.

The Federal Government dominates public works investment policy by financing about half the outlays on our country's civilian infrastructure. Unfortunately, the assistance is usually in the form of rigid categorical grants that are funded and designed according to national priorities, with very little money available from flexible sources. Once a project is completed with categorical grant funding, no recoupment of Federal funds is possible unless the funds were misspent. Trust funds that generate user fees are the exception to this rule.

Mr. Speaker, I propose a new legislative approach that combines the flexibility of blockgrant funding with the advantages of a guaranteed stream of revenue.

ESTABLISHMENT OF A CORPORATION

The bill establishes a National Public Works Corporation that could leverage up to \$50 billion in capital for public facilities when fully funded by Federal and State governments. The Corporation is to be composed of a bipartisan board of directors. The revenues from a fraction of the interest on loans to State and local governments would be used to pay for administrative costs and salaries. The quasi-independent corporation's review of projects would be limited to: First, financial matters of integrity on the institution's reserves and loan portfolio; and second, the technical and competitive aspects of projects. The determination of investment levels and priorities rests with the States.

CAPITALIZATION AND RESERVE FUND

The initial capitalization of the corporation authorizes \$2.5 billion from the Federal Government, to be matched by \$2.5 billion from participating States. The combined amounts of actual appropriations and State contributions constitutes a 10-percent reserve requirement for the corporation. The total amount of outstanding loans may be exceeded 10 times the amount of reserves. These loans will be financed through the issuance of bonds with the full faith and credit of the Federal Government as a guarantee.

Although States must initially match the Federal contribution on a dollar-for-dollar basis, they ultimately would be permitted to leverage 20 times that amount in project loan funds. Moreover, the States could determine their own contribution schedules, because their fiscal capabilities may vary.

Participation in the corporation is voluntary. The State chooses the amount and time of contributions. The maximum contribution is limited to the amount that bears the same ratio to \$2.5 billion as the State's population bears to the national population. For example, a State with 10 percent of the country's population may contribute up to \$250 million. The Federal Government matches the contribution with an equal amount. If fully capitalized, the State is then entitled to loans of up to \$5 billion, depending upon the State's contribution. As the loans are repaid, the States are entitled to second generation funds for further loans—an advantage over categorical grant programs.

LOANS TO STATES AND LOCAL GOVERNMENT

The corporation is authorized to make loans to participating States and to units of government within those States. The loan may be less than the total cost of the project, if other sources of funds are committed from Federal and State grants, local contributions and private donations. The funds are generally available for the construction, reconstruction, rehabilitation, or repair of any public facility. However, the repayment of the loan and the operation, maintenance, and replacement costs of the project must be tied to a guaranteed stream of revenues for the use of the facility.

The interest rate on the loan is based upon the cost of borrowing funds and the corporation's administrative costs. Interest rates may be reduced across the board through a direct appropriation by Congress. This authority is to be used when high interest rates would make the cost of loans from the corporation an inordinate burden on borrowers.

The corporation may only approve loans that have the approval of the Governor of a

participating State. The board shall ensure that the project is technically feasible and that awards are made on the basis of competitive bidding. The corporation is granted further powers to audit the borrower's compliance with the loan requirements and to take remedial actions.

DEFAULTS

In the event of a default on the loan by a State and local government, half of the amount of the default would be charged against the State's reserves. A State may replenish its reserves within 2 years, but after that time, the amount of potential loans in the future would be substantially reduced. The reserves are vitally important for maintaining the creditworthiness of the corporation.

Mr. Speaker, this bill is not intended to be a complete answer to the financing of our infrastructure needs, but it can be an important step in addressing a large part of the problem. The setting of priorities rests with the States. Although the Federal Government will be engaging in a new credit lending activity, several provisions in the bill contain strong assurances that loan guarantees to bond investors carry as little risk as possible against loan defaults. I believe that this legislation will provide Congress with an opportunity to address the growing infrastructure crisis in the years ahead in a cost effective manner.

INTRODUCTION OF MORTGAGE REVENUE BONDS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mrs. KENNELLY. Mr. Speaker, today I am reintroducing legislation which would extend the Mortgage Revenue Bond Program permanently.

This program is both very popular and tremendously successful. Mortgage revenue bonds have made it possible for over 2 million American families to become homeowners in the past 20 years. In 1991 alone, this critical program provided mortgages for 120,000 families. In fact, it provides 1 in every 12 mortgages to first-time buyers.

The 22,000 mortgage revenue bond loans for newly constructed homes for low- and moderate-income families in 1991 produced 40,000 jobs and generated over \$1.1 billion in wages and tax revenues.

During the 102d Congress, my bill to extend this program permanently garnered 401 cosponsors, more than any other substantive piece of the legislation in the House. In addition, an extension of mortgage revenue bonds was included in both tax bills vetoed by President Bush.

I am optimistic that President-elect Clinton will see the merits of this vital program and look forward to working with the new administration in crafting a comprehensive economic policy. I would urge my colleagues to support mortgage revenue bonds.

THE INTRODUCTION OF THE UNIVERSAL STUDENT NUTRITION ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. MILLER of California. Mr. Speaker, I am introducing today legislation that would give every school in the country the option of providing a universal school lunch and school breakfast program to each child in the school by the year 2000. This legislation is endorsed by the American Association of School Administrators, American Federation of State, County and Municipal Employees, American School Food Service Association, Bread for the World, Church Women United, End Hunger Network, National Association of Elementary School Principals, and the Society for Nutrition Education. I have also received numerous letters of support from other organizations, businesses, and school districts across the country.

A universal school lunch and breakfast program would benefit the child, the family, the school, and the Nation. Such a program would prepare children for learning; fight childhood hunger; reallocate resources from paperwork to implementing the dietary guidelines for Americans; promote program quality and increase student participation; enhance the long-term health of Americans; provide an incentive for children to go to and to stay in school; and eliminate the identification of low-income students, as well as the welfare stigma of the school lunch and breakfast programs.

The current school nutrition program is at a major crossroads. Since 1980, we have seen a very disturbing trend with regard to school nutrition programs. In the last decade, Federal subsidies for school nutrition programs have been reduced; bonus USDA commodities have essentially vanished; the administrative complexity and cost of administering the school nutrition program has increased dramatically; and indirect cost assessments made by local school administrators are draining the financial resources of the school food service authorities.

According to the American School Food Service Association, as a result of these developments, well over 100 schools have dropped out of the National School Lunch Program since 1989. This number does not include schools that have merged or closed. While this number is a small percentage of the total number of schools participating in the School Lunch Program, it is a warning signal that we should pay attention to if we are to avert a major disintegration of the program.

Indeed, it is not enough for us simply to protect the status quo, we need to do better. In the United States we serve approximately 60 percent of our students a school lunch. In Japan they serve approximately 98.2 percent of their elementary school children a school lunch. If we are going to meet our education goals for the United States by the year 2000 and prepare our children to learn, we must establish a school nutrition program that is consistent with our education objectives.

In the last decade, we have treated the National School Lunch and Breakfast Programs

as a welfare program, emphasizing the income of the child participating in the program. We are hampering the administration of the program with more and more paperwork trying to document the income of the children's families. Students and schools are rebelling against this trend. According to a study done for USDA, there are approximately 4 million poor children eligible for free and reduced price meals who are not currently participating in the program. In addition, as I mentioned, schools are beginning to drop out of the School Lunch Program.

The National School Lunch and Breakfast Programs should be treated as part of the education day—a support service like textbooks and school buses. Schools throughout the United States should not be asked to duplicate that which is already being done by State welfare departments and the Federal Internal Revenue Service. Schools should not have to spend their limited resources on trying to document the income of children. We must find a better way for structuring the National School Lunch and Breakfast Programs.

The legislation I am introducing today would give each school in America the option—and it is only an option—of administering a Universal School Lunch and Breakfast Program. Under this legislation, schools exercising the universal option would receive a reimbursement from USDA for each meal served that was not dependent on the income of the child. Schools would not have to seek income information or spend their time and money trying to verify income information. All students would be treated alike. Poor students would not be identified as poor and nonpoor children would not have to be concerned about the image of participating in the National School Lunch Program.

I fully appreciate, Mr. Speaker, that there will be those who say this is a great idea but it is one we cannot afford given the size of our deficit. I am certainly not oblivious to the very real economic challenge we face as a country. To those individuals, I would answer as follows:

First, the effective date on this legislation would be the year 2000, to coincide with our education goals for the Nation giving us time to address the funding question.

Second, before this legislation can be brought to the floor of the House, we must identify how to fund such a program. One possibility which has been suggested by some, and which I am willing to explore, is the possibility of collecting the cost of the meal from the same parents who currently pay for the school lunches on a daily or weekly basis but collect the fee annually through the IRS. The Internal Revenue Service is aware of each household's income, and is also aware of the age of dependent children. This use of the IRS may well be justified if we are to reach the important public policy objective of feeding our children. If we were to proceed through the IRS, the cost of my universal legislation would be zero.

The National School Lunch Program currently serves approximately 25 million children a day and the National School Breakfast Program currently serves approximately 4 million children a day. These programs have been enormously successful and are an important

part of our social fabric. It is important that we not let these programs unravel. It is important that we reach all children in America with a school lunch and school breakfast so that we might truly prepare them for learning.

Last year, Senator MITCHELL introduced, and the Senate passed, Senate Resolution 303, which calls upon the USDA to study the implementation of a universal breakfast and lunch program. I commend Senator MITCHELL for introducing this resolution and look forward to working with my Senate colleague on this endeavor.

I look forward to working with all members on the House Education and Labor Committee and all members on the House Ways and Means Committee so that we might identify how we can achieve this objective.

VETERANS FUNERAL BENEFITS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GILMAN. Mr. Speaker, yesterday I introduced legislation to boost funeral benefits to a level previously afforded to all our veterans (H.R. 34).

As many of my colleagues are aware, prior to 1981, a burial allowance of up to \$300 was provided in all cases where a veteran died: First, of service-connected disability; second, if he was a veteran of any war; third, if he was discharged for a disability incurred or aggravated in the line of duty; or fourth, if he was in receipt of, or entitled to, disability compensation.

Under the Omnibus Reconciliation Act of 1981, the veterans' burial benefits were decreased significantly by limiting funeral benefits to veterans receiving pension or compensation benefits, or residing in a VA-supported health facility at the time of death. That reduction mistakenly placed an economic value on a benefit given by Congress to ensure that all veterans would be buried with dignity and respect, regardless of their income or social standing at time of death. It is also in direct violation of a longstanding principle held by the American Legion which calls for equal benefits for equal service.

In the 1990 Veterans Benefits and Services Reconciliation Conference Agreement, burial plot allowances have been further limited. The conference agreement eliminates the plot allowance of \$150 with the exception of veterans who are in receipt of DVA disability benefits, such as compensation or pension.

My legislation restores the pre-1981 eligibility for veterans for the purposes of receiving funeral benefits, increases the amount of those benefits from \$300 to \$400, and increases the plot allowance from \$150 to \$300.

The death of a loved one is an emotional strain on a family, it should not be a financial one too. In these times, the cost of a burial has increased dramatically, often becoming a tremendous financial burden on the families of these veterans during their time of grief. It is my sincere hope that my legislation will help defray a portion of these burdensome costs.

We have a moral obligation to restore these benefits that we promised to our Nation's vet-

erans at the time of their induction into the service of their country, to provide them with reasonable compensation for their funeral costs. Reinstating these deserved benefits to our veterans is essential to fulfill our obligation to all those who have fought and risked their lives to protect the ideals and people of our great Nation.

At this point in the RECORD I request the full text of my bill be inserted for review, and I invite my colleagues to cosponsor this important legislation.

H.R. 34

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Burial Benefits Act of 1993".

SEC. 2. ELIGIBILITY FOR BURIAL ALLOWANCE.

Subsection (a) of section 902 of title 38, United States Code, is amended to read as follows:

"(a) Where a veteran dies—
 "(1) of a service-connected disability; or
 "(2) who was—
 "(A) a veteran of any war;
 "(B) discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty; or
 "(C) in receipt of (or but for the receipt of retirement pay would have been entitled to) disability compensation;

the Secretary, in the Secretary's discretion, having due regard to the circumstances in each case, may pay a sum not exceeding \$400 to such person as the Secretary prescribes to cover the burial and funeral expenses of the deceased veteran and the expense of preparing the body and transporting it to the place of burial. For the purpose of this subsection, the term 'veteran' includes a person who died during a period deemed to be active military, naval, or air service under section 106(c) of this title."

SEC. 3. INCREASE IN THE BURIAL PLOT ALLOWANCE.

Paragraphs (1) and (2) of section 903(b) of title 38, United States Code, are amended by striking out "\$150" each place it appears and inserting in lieu thereof "\$300".

TRIBUTE TO COL. DONALD C. FISHER, JR., USA

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PANETTA. Mr. Speaker, on Friday, January 22, 1993, Col. Donald C. Fisher, Jr. will retire after 30 years of service in the U.S. Army. Colonel Fisher will end a long and distinguished career defending our Nation through three decades of both peace and conflict, from Vietnam to the Persian Gulf.

Born in Columbus, OH, Colonel Fisher graduated from Ohio State University with a degree in education and received a commission as a second lieutenant in 1963.

His first assignment took him overseas to Mainz, Germany, where he commanded an ordnance detachment and served as a staff officer. Returning to the United States, he was an instructor at the Army Missile Munitions Center and School from 1966 to 1967. Com-

pleting the Ordnance Officer's Advance Course, he served as a company commander and in various staff positions in Vietnam. Sent to the Air Force Institute of Technology, he earned a masters degree in logistics management. Assigned to the Headquarters, Department of the Army, Colonel Fisher worked on new systems fielding, acquisition, product improvement, and logistics support policy. From 1974 to 1975, he attended the Army Command and Staff College and earned a master of military arts and science. The Army's next few assignments for Colonel Fisher included maintenance battalion executive officer, commanding officer of an ordnance battalion, and commanding officer of a division support command in Germany.

Colonel Fisher's personal decorations include the Legion of Merit, Meritorious Service Medal—2d award, Army Commendation Medal—2d award, Battle Service Medal—2d award, Overseas Service Ribbon, Army Service Ribbon, and National Defense Service Medal—2d award. Colonel Fisher is married to the former Annerose Strunck of Bad Kreuznach, Germany. They have one son, Tony.

Colonel Fisher began his twilight tour as the commandant of the Defense Language Institute and Foreign Language Center Presidio in Monterey, CA in August 1989. Responsible for foreign language training for the Department of Defense and numerous other Federal agencies, the Defense Language Institute instructs over 30,000 students a year in 50 different languages. Colonel Fisher's exceptional military and professional ability contribute to his success at supervising 4,200 students and faculty members.

Through his dynamic and bold leadership, Colonel Fisher's superlative efforts will leave a lasting impact on the Institute and the surrounding communities. He set a personal example to improve the quality of life for the entire community, encouraging his students and staff to participate in various charitable activities in the community. Through his policies and guidance, the Defense Language Institute earned the Monterey Peninsula's Best Major Employer of the Disabled in 1991. The Institute continually provided support for many other activities, including: Special Olympics, March of Dimes, Meals on Wheels, Adopt a Beach, Salinas Air Show, blood drives, youth athletic leagues, and countless other community events.

Our world is undergoing dramatic change. The end of the cold war and the triumph of freedom and democracy over totalitarianism has ushered us into a new era, one of hope for global cooperation. Col. Donald C. Fisher, Jr. has selflessly served our Nation for the past 30 years, through war and peace. He exemplifies the qualities of a good leader: sound judgment, compassion, innovative and creative thinking, and the desire to help others. These qualities which he continuously demonstrated have been a positive example to all those who have had the pleasure to know and work with him.

Mr. Speaker, I salute Colonel Fisher's distinguished record of achievement and contribution and I ask my colleagues to join me in commending him on his remarkable contributions to his nation and community.

THE WAXAHACHIE INDIANS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. FROST. Mr. Speaker, I am very pleased that my very first statement before this body is to announce that the Waxahachie Indians are the Texas High School 4A football champions. The Waxahachie Indians, led by Coach Scott Phillips, were a perfect 16-0 this season as they won the school's first State championship in football.

Texas football is steeped in tradition. I can remember attending Friday night football games when I was in high school. It was not just another school event; it was the city's event of the week. So, I am sure that the entire city of Waxahachie is proud of their football team and its accomplishments this season.

Although none of the preseason prognosticators gave the Indians a chance, they succeeded in proving all doubters wrong. The previous season, the Indians were disappointed in the quarterfinals of the State playoffs. However, this year, they were determined to go the distance. The Indians began their road to victory with a rigorous off-season program. And once their season began, they would go on to outscore their opponents by more than 400 points and end their season by defeating the defending State champions in a thrilling State championship game.

The Waxahachie Indians achieved perfection this season and are truly worthy of the name, champion.

NATIONAL PUBLIC DEBT CLOCK

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. CLINGER. Mr. Speaker, the national debt now stands at over \$4 trillion. Each American family's share of that staggering amount is over \$55,000, more than the average hardworking wage earner makes in an entire year.

In an effort to demonstrate the magnitude of this amount, I proposed in the 102d Congress to install a national public debt clock in the Capitol complex which would display a continuous running tally of our fiscal malpractice. The clock would serve as a constant reminder to Members of Congress of the important practical effect of their spending votes. I am pleased to reintroduce this proposal in the 103d Congress and I ask my colleagues for their support.

The year 1993 could be a pivotal one for our country. A new President will take office. The House of Representatives has been infused by 110 freshmen Members. The U.S. Senate will experience a turnover of over 10 percent. This new leadership could move our country forward by recognizing the severity of our national debt or they could ignore it, with false rationalizations and budget gimmickry.

Supporting the installation of the debt clock would be an important indicator that a Member

of Congress recognizes the negative effects of the national debt on our ability to allocate our national resources. Payment of interest on the debt now chews up \$214 billion per year, making it one of the three largest budget items behind national defense and Social Security. Clearly we must do something.

Since the introduction of this proposal last June, I have been inundated with letters and calls from all over America expressing support for my proposal. Some have offered to donate money to finance the construction of the clock since no Federal funds can be used to pay for it. Others have indicated that they have asked their own Representative to cosponsor.

The debt clock may not solve our debt problem, in fact it will take much more fortitude and will than just a clock. But it could be a beginning that will go a long way toward heightening the awareness of Members of Congress, the media, and visitors to the Capitol about the national debt. It is a herculean task that lies ahead of us but we must start somewhere.

DICK ICHORD

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. QUILLEN. Mr. Speaker, I will like to take this opportunity to pay tribute to my dear friend and former colleague from Missouri, the Honorable Richard H. Ichord, Jr., who passed away on Christmas day. Dick Ichord and I served together in this House for 18 years until his departure in 1981, and although we were on opposite sides of the aisle, I can think of few Members of this body who did more during their tenure to keep America a strong, proud, and free nation.

In his 20 years of service, Dick never failed to advocate positions that would strengthen the national defense, even when such attitudes were not popular. During the late 1970's, as chairman of the Armed Services Subcommittee on Research and Development, Dick laid much of the groundwork that led to the Reagan administration's defense buildup, which finally ended the cold war once and for all. History has proven the wisdom of the strong defensive military that Dick championed for his entire career.

Dick Ichord also served with distinction as the chairman of the House Un-American Activities Committee during the last 6 years of its existence. While the committee took a lot of criticism, I still feel that it was a useful and necessary forum for shedding light on those who sought to overturn our democratically elected Government by force. It was a difficult job, which Dick completed with hard work and distinction.

After Dick left Congress, he continued to further the interests of a strong national defense by doing consulting work, and he remained active in community service. In 1990, he retired to his farm in the Missouri countryside which he loved. I was saddened to hear of his passing, and my heartfelt condolences go out to the family of this great, principled legislator.

DOUBLE TAXATION IN INDIAN COUNTRY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. RICHARDSON. Mr. Speaker, today I am reintroducing legislation of critical importance to the economic viability of Indian tribes and businesses operating on Indian lands. Everyone knows that if you want to operate a business in this country, you have to pay taxes. The same holds true for doing business in Indian country. The only difference is that in Indian country, a business often has to pay the same taxes twice.

The Supreme Court has recognized the right of Indian tribes to impose taxes on activities within reservation lands. Undoubtedly, the power of Indian tribes to tax is an integral part of their inherent sovereignty, and the revenue derived from taxes is critically needed by tribes to provide services to their people. However, the Supreme Court has also held that the States may tax the same business activities as those taxed by tribes. In short, if you want to do business in Indian country, be prepared to do so on an uneven playing field.

Let me shed some light on the size of this playing field. There are approximately 300 Federal Indian reservations in the United States, and over 500 federally recognized tribes. A total of 53 million acres of land is held in trust by the United States for various Indian tribes. The Navajo Reservation alone encompasses almost 16 million acres of land in New Mexico, Arizona, and Utah. As you can imagine, there are thousands of private sector businesses working with tribes that might be affected by double taxation.

Faced with paying double taxes, many businesses have been forced economically to move their operations off reservations. In addition, tribes are finding it more difficult to attract new business because of the financial burden involved. This comes at a critical time when tribes are struggling to establish and cultivate mutually beneficial relationships with the private sector.

Thus, I am reintroducing legislation that would provide a tax credit against taxes paid to Indian tribal governments in situations where businesses must pay identical taxes to the State. The bill would amend the Internal Revenue Code of 1986 to allow a credit against income tax for severance taxes and personal property taxes paid to Indian tribal governments in carrying on a trade or business. The credit is limited to activities or properties which are double taxed. However, it may be allowed as part of the general business credit and is allowable against the entire regular tax as well as the alternative minimum tax.

While not all of the States with Indian reservations have chosen to exercise their power to tax those reservation, fiscal belt tightening continues across the country and most States are looking to increase revenues. Many will undoubtedly turn to the reservations as an additional source. This will detrimentally impact the tribes as well as those who want to do business with them.

Mr. Speaker, let us level the playing field and provide an incentive for doing business in Indian country. I urge my colleagues to support this legislation.

A TRIBUTE TO DONALD J. STEPHEN

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. SANGMEISTER. Mr. Speaker, I rise today to salute a dedicated public servant and good friend from the 11th Congressional District who will be honored this Sunday, January 10, 1992, in Frankfort, IL, for his dedicated service as that community's director of public works, Don Stephen.

To say Don saw a lot of changes in his 25 years of service to Frankfort is an understatement. When he started with the village's public works director in 1967, Frankfort was still very much like the small farming community it had been at the turn of the century. When he retired last September, he had witnessed a quarter century of tremendous growth and development as the village had become a full-fledged Chicago suburb.

Throughout the last 25 years, one thing has remained constant in Frankfort, Don Stephen's dedication and service to his community. Don gave much of his own personal time to his job. He never thought twice about going out on a stormy night and helping someone pump out their basement when it flooded, or doubling back to clean out the end of a driveway that had been accidentally blocked by one of his snowplows.

As the community grew, Don always maintained the philosophy of helping his neighbors, and his assistance often made those little emergencies keep from becoming big crises. His willingness to lend a helping hand to his fellow employees and the people of Frankfort will not soon be forgotten.

Mr. Speaker, on behalf of my constituents in Frankfort and myself, I thank Don Stephen for a job well done.

PHILIPPINE COMMONWEALTH ARMY VETERANS BENEFITS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. GILMAN. Mr. Speaker, yesterday I introduced legislation amending title 38, United States Code, to provide that persons considered to be commonwealth army veterans by reason of service with the Armed Forces during World War II in the Philippines shall be eligible for full veterans' benefits from the Department of Veterans Affairs (H.R. 35).

On July 26, 1941, President Roosevelt issued a military order, pursuant to the Philippines Independence Act of 1934, calling members of the Philippine Commonwealth Army into the service of the United States Forces of the Far East, under the command of Lt. Gen. Douglas MacArthur.

For almost 4 years, over 100,000 Filipinos fought alongside the Allies, in reclaiming the Philippine Islands from Japan.

In return, Congress enacted the Rescission Act of 1946, which limited the benefits received for service-connected disabilities and death compensation, denying members of the Philippine Commonwealth Army from being recognized as United States veterans.

Additionally, on May 12, 1989, the United States District Court for the District of Columbia announced in the Quiban versus Veterans Administration case that limiting the veterans benefits received by veterans of the Philippine Army and their spouses is unconstitutional. The court stated that once the Philippine Army was called into service by President Roosevelt, they became members of the Armed Forces of the United States, serving on the same terms as other members of the United States Armed Forces. Unfortunately, the court of appeals overturned this ruling.

Mr. Speaker, although Congress has begun to take the necessary steps to give the Philippine World War II veterans the recognition they so justly deserve, there is more to be done to correct this injustice. For years veterans have been struggling for recognition and benefits they deserve. To all my colleagues that share my concern that Philippine World War II veterans deserve to be recognized as United States veterans, I urge you to cosponsor this measure.

At this point in the RECORD I request that the full text of my bill be inserted for review by my colleagues.

H.R. 35

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(2) of title 38, United States Code, is amended by adding at the end the following new sentence: "Such term includes a person who is a Commonwealth Army veteran within the meaning of section 635(1) of this title."

IN HONOR OF DR. JEAN MAYER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. MARKEY. Mr. Speaker, I rise today to pay tribute to one of the truly great men of our time, Dr. Jean Mayer. He was a man of great vision, and he was a true friend.

What set him apart from other visionaries was his ability to turn these ideas into actions and guide them toward fruition. The world will remember Jean Mayer as a hero of the French resistance in World War II, an internationally renowned nutritionist, advisor to three U.S. Presidents, and a tireless crusader to end world hunger. He held two doctorates in philosophy, 22 honorary degrees, authored 750 professional papers, and 10 books.

I will remember Jean Mayer as the man who changed a small, lesser known college in my district into one of the Nation's most innovative and distinguished universities. Jean Mayer became the president of Tufts University in 1976, and immediately began to make his indelible mark on the school. In 1979, he started the Tufts University School of Veteri-

nary Medicine which was New England's first regional veterinary school. Jean founded the Sackler School of Graduate Biomedical Sciences in 1980. In 1981, he created the Nation's first graduate school of nutrition. The next year he set up the U.S. Department of Agriculture Human Nutrition Research Center on Aging. Once again a pioneer, he started the Center for Environmental Management at Tufts in 1986, making the school the first university in the world to make an environmental literacy program a part of core curriculum for all of its students. Finally, he convened two different global conferences of university presidents in the last few years to work toward world peace and a sustainable environment.

Dr. Jean Mayer passed away on January 1, 1993, at the age of 72. He will be sorely missed by those thousands whose lives he touched through all of his worthy endeavors both internationally and here at home. He will be especially missed by those of us whose lives he enriched through his monumental efforts at Tufts University.

SUPPORT BETTER TRAINING FOR INDUSTRIAL TRUCK OPERATORS

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. MURPHY. Mr. Speaker, my colleague from Ohio, MIKE OXLEY, and I have introduced a concurrent resolution which calls on the Occupational Safety and Health Administration of the Department of Labor [OSHA] to act on an important matter. As you may be aware, a petition was filed in March 1988 with OSHA to amend existing Federal regulations requiring training and certification for operators of powered industrial trucks. This petition sought a clarification of the current regulations by specifically outlining the elements of an adequate training program for operators of these vehicles. OSHA responded to this petition by launching into a lengthy study.

We introduced a resolution similar to today's proposal during the last Congress, because we believed then as we believe now, that enough time to study the measure has elapsed. OSHA has finally begun formal proceedings to implement these regulatory proposals. While we laud OSHA for their action, we feel that it is necessary to continue to encourage the agency in its progress. For this reason, we are reintroducing a resolution calling on OSHA to continue their momentum.

Our new President, who will soon begin his term of office, has stated that better training and education of the American work force will be a priority during his administration. This petition provides an excellent opportunity to move closer to achieving this policy goal.

The value of a thorough training program cannot be underestimated. A properly trained employee will contribute to the reduction of job related accidents, and in the end make the workplace safer and more productive for everyone. We believe that this resolution provides benefits both to operators as well as those ultimately charged with the costs of job site accidents.

For these reasons we have reintroduced this concurrent resolution. I ask that you join Mr. OXLEY and myself and support this measure because ignoring proper work training puts our future at risk.

STABILIZING THE BANKING SYSTEM THROUGH INTERSTATE BANKING AND BRANCHING

HON. PETER HOAGLAND

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. HOAGLAND. Mr. Speaker, as the 103d Congress convenes, we must put at the top of our agenda revitalization of the Nation's anemic economy. Today, Congressman McCOLLUM and I, are introducing the Nationwide Banking and Branching Act of 1992, which could play a strong role in that revitalization because American banks are hamstrung by antiquated laws that impede their lending and put them at a competitive disadvantage with other financial institutions and with their foreign competitors. The bill we are introducing today is modeled after the bill reported from the House Committee on Banking and Urban Affairs in June 1991 and an administration proposal.

LAWS ANTIQUATED

We have what is known as a dual banking system. Banks may be chartered as national banks and regulated by the Federal Government or they may be chartered as State banks and regulated by State governments. There are two laws that, in our view, make banking today cumbersome: The McFadden Act, enacted in 1927 and last amended in 1933, and the Douglas amendment enacted in 1956. The McFadden Act prohibits interstate banking by national banks. The Douglas amendment prohibits bankholding companies from chartering or acquiring a bank in another State unless expressly permitted to do so by State law.

Our bill has three major features. First, it would authorize the Federal Reserve to approve interstate acquisitions upon enactment by repealing the Douglas amendment. Second, 2 years after enactment, it would allow banks to establish or acquire a branch outside their home State, unless the legislature of the receiving State passes legislation opting out or prohibiting out-of-State banks from branching into their State. Third, beginning 2 years from enactment, it would allow bankholding companies with bank subsidiaries in more than one State to combine two or more subsidiary banks into a single bank merger, consolidation, or other transaction. A summary of the provisions of the bill appears at the end of this statement.

PROTECTING THE DEPOSITOR

Many studies show generally that the more locations a bank has, the less likely it is to fail. Further, banks that are allowed to operate across State lines and into different regions are less likely to fail because they can diversify their deposit base and their loan portfolios. A bank operating in more than one State with a diverse base, for instance, is less likely to become overly dependent upon a local economy, like agriculture, oil, or defense tech-

nology. Thus, if there is a downturn in a local economy or if a regionally dominant industry goes into a slide, the bank has other sources of deposits and customers.

In a study prepared for the Financial Institutions Subcommittee entitled "Banking Industry in Turmoil: A Report on the Condition of the U.S. Banking Industry and the Bank Insurance Fund," banking experts James R. Barth, R. Dan Brumbaugh, and Robert E. Litan expressed it this way:

There is virtually no other business in the U.S. that is so geographically restricted as the banking business. * * * At a minimum, allowing banks to branch nationwide would permit them to diversify their risks and thus reduce the deposit insurance liabilities of the federal government. It is difficult to believe that 9 of the top 10 banks in Texas that failed during the 1980's would also have failed had they been part of larger nationwide operations. Similarly, had Continental Illinois been able to branch beyond the confines of Chicago and thus diversify its funding sources, it is at least conceivable that the deposit run that helped trigger the bank's collapse would not have happened, or if it did, would have had the same disastrous effects.

Banks which are geographically diverse can diffuse losses over a broader base. As banks become broader and more diverse, failure is less likely. There will be fewer failures which will result in banks paying lower deposit insurance premiums and ultimately lower charges to customers.

AFFIRMING CURRENT ACTIVITY

Current law authorizes considerable interstate banking activity already. This legislation would allow it to expand further, but primarily would allow it to expand more efficiently. In addition, the bill is authorizing what is basically happening already. In recent years, many State have enacted legislation permitting reciprocal interstate banking and the courts have upheld these laws. Thirty-four States have passed laws to permit nationwide banking through bankholding companies. Fourteen States permit regional banking. Thus, 48 States already permit some form of interstate banking. Only two States prohibit all forms of interstate banking.

In addition, modern technology makes it virtually impossible for a bank not to operate interstate. According to "Banking Law Manual," Norton and Whitley:

As a practical matter, today almost any type of financial institution can originate or acquire assets on a nationwide basis through many formal and informal avenues that extend its market reach beyond the traditional bank headquarters location: interstate ownership of banks and thrifts, lending through affiliated nonbank/nonthrift finance companies, mortgage companies and loan production offices, purchase of local participations and securitized assets through correspondent bank network, credit card lending, statewide and interstate branching * * *

EFFICIENCIES

Interstate expansion saves costs for banks which in turn helps attract capital, increase profits, and lower charges to consumers. Under the current system, a bankholding company, if it is to operate interstate, must operate through a separately chartered bank in each State. A bank must set up a separate board

of directors and management, prepare separate regulatory reports, undergo separate examinations, and install separate computer systems. Banks must satisfy capital requirements separately. Eliminating this duplication would mean tremendous savings for banks and for the consumer. More savings mean strengthened capital and more stable banking.

A McKinsey and Co. study found that interstate branching "could yield as much as \$10 billion annually in cost savings." A study commissioned by the Congressional Budget Office conservatively estimates cost reductions of 3 percent to 4 percent. This study concludes that reducing real costs by 3 percent to 4 percent would be passed on to bank customers in the form of reductions in real prices for banking services. "A reduction in real costs would likely generate a 3-percent reduction in real prices (e.g., lower loan rates and/or higher deposit rates)," the study maintains.

CUSTOMER CONVENIENCE

An interstate network offers the consumer advantages especially in areas near State borders. For example, a customer could do all of his or her banking in any State in which the bank operates. Because, under current law, banks have separate computer systems, a checking account with a bank in one State could not be accessed in an affiliate bank in another State. Consolidating computer systems would be especially convenient for travelers. Who hasn't run short of cash while traveling?

Interstate branching would bring improved and cheaper services for both consumers and corporations. A CBO-sponsored study states that among the economies of scale is the fact that disbursing customers are more likely to do business with the same bank as collecting customers. This also could reduce internal costs.

INTERNATIONAL COMPETITION

Finally, there is the issue of international competitiveness. Most European countries have already adopted full nationwide branching, which will be expanded to unrestricted branching throughout the European Community in the near future. As the world economy continues to internationalize, we must keep our industry competitive with those abroad. According to former Treasury Undersecretary Robert R. Glauber, "The United States remains the only major industrial country in the world that does not have a truly national banking system."

COMPETITIVELY DISADVANTAGED

Our outdated laws, born in the Great Depression, have prohibited banks from participating in the growth and diversification of their financial services competitors. For example, Sears, Roebuck is involved in insurance, real estate, securities, credit cards, and numerous other financial services. Similarly, General Electric offers a vast array of financial services in the areas of insurance, real estate, securities, and other money management services. Banks have been prohibited from competing with these entities. As a result, they have lost market share, lost profitability and become weaker.

Comparing the relative position in 1970 with 1990 illustrates the point. In 1970, banks had 31 percent of all commercial lending; in 1990,

they had 10 percent. Commercial banks' return on average equity in 1970 was 12.36 percent on aftertax earnings; in 1990, it was 7.84 percent. In 1970, there were 251 banks on FDIC's problem list; from 1985 to 1990, that number topped 1,000 each year.

CONCLUSION

Congress has a responsibility to protect the taxpayer, the depositor, and the fund that insures customers' deposits by providing banks the modern tools they need to run a reliable, modern business. The statutory restrictions on interstate banking are artificial and weaken an industry vital to our Nation's health. The role of Congress should be to promote competition, not hinder it. This bill is an attempt to do that, and I hope my colleagues will join us in enacting it into law.

SUMMARY OF THE NATIONWIDE BANKING AND BRANCHING ACT OF 1993 NATIONWIDE BANKING

Authorizes the Board of Governors of the Federal Reserve System to approve applications to acquire the assets of any insured depository institution or bank holding company in any state beginning 18 months after enactment of this bill.

INTERSTATE BRANCHING BY NATIONAL BANKS

Authorizes the Comptroller of the Currency to approve applications to permit a national bank to establish or acquire and operate a branch in a state outside the state in which the main office of the bank is located.

Requires any branch to be subject to the consumer protection and fair lending laws of the host state unless preempted by federal law.

Prohibits discrimination against the branch of a bank on the basis of the location of the main office and provides that state laws shall apply to branches as if the branch is a national bank with a main office in that state.

Allows states to enact legislation to "opt out" (prohibit out-of-state banks from establishing or acquiring branches in the state).

INTERSTATE BRANCHING BY STATE BANKS

Authorizes, within three years after enactment, a state bank to establish or acquire, and operate, a branch located outside the state in which the bank is chartered if authorized by the law of the state in which the bank is chartered.

Requires any branch of an out-of-state bank to be subject to the laws of the host state.

Allows the host state to exercise supervisory, regulatory and enforcement authority over branches.

BRANCHING BY FOREIGN BANKS

Allows foreign banks to establish and operate (a) a federal branch in any state outside the home state with approval of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency; and (b) a state branch with the approval of the Board and the state regulatory authority.

Requires foreign banks to have a capital level equivalent to that required of domestic banks for branching purposes.

CONSOLIDATION

Allows a bank holding company with subsidiaries in more than one state to combine two or more subsidiary banks into a single bank through merger, consolidation or other transaction beginning 18 months from enactment.

Allows a consolidated bank to acquire and operate additional branches and subjects

branches to consumer protection and fair lending laws of the host state.

COMMUNITY REINVESTMENT REQUIREMENTS

Requires federal supervisory agencies to prepare for banks with interstate branches a written evaluation of the entire institution's record of performance in community reinvestment and for each state in which the bank has one or more branches, a separate written evaluation of the record of performance within each state, including information by metropolitan area.

GUIDELINE FOR MEETING CREDIT NEEDS

Requires federal supervisory banking agencies to publish regulations establishing guidelines to ensure that each interstate branch meets the credit needs of the community and market area in which the branch operates.

SYSTEMATIC APPROACH FOR VALUE ENGINEERING ACT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mrs. COLLINS of Illinois. Mr. Speaker, yesterday I introduced a bill that is urgently needed to improve the way our Government does business. My bill, the systematic approach for value engineering, would enable the Government to routinely yield significant contract savings while improving quality at the same time. It is a rare case where the taxpayers, the Government, and the American economy will reap tremendous savings. In short, it is a "win-win" situation for everyone.

Value engineering, or VE, is a multifaceted, creative, team-conducted technique that defines the objective of a product, service, process, or construction project and questions every step toward reaching it. It does so with an eye to reducing all costs—including initial and long-term costs—and completion time while improving quality, reliability, and esthetics. Analysis covers the equipment, maintenance, repair, replacement, procedures, and supplies involved. Life-cycle cost analysis is one of its many aspects and it differs from other cost-cutting techniques in that it is far more comprehensive, scientific, and creative.

It is commonly accepted that value engineering saves no less than 3 percent of a contract's expense, and often that figure is 5 percent. At the same time, the cost of doing a VE review ranges from one-tenth to three-tenths of a percent of the contract's value. This means that on a \$2 million construction contract, the very minimum that would be saved is \$54,000 while savings of \$98,000 would be very likely. On a major military procurement contract with a cost of \$1 billion over life-cycle, that translates to a range of savings from \$27 to \$49 million.

It is important to note that VE is not a new technique. In fact, it was developed in the United States during World War II as a way to maximize our resources and improve our defense capabilities. Ironically, in recent years it has been used most effectively by Japanese electronic and automobile industries. Considering the national urgencies facing us today—the need to reduce the trade deficit and our

expanding national deficit, to increase our ability to compete internationally and to reform Government spending so that we can get our country back on track—isn't it time that we use VE again?

Whenever value engineering has been examined, it is clear that it should be used more often and that its untapped potential is too great even to estimate. The General Accounting Office has conducted various studies on VE in recent years and each one has acknowledged its achievements and potential. In 1987, the Senate Committee on Governmental Affairs held a hearing during which it was made clear that VE has a remarkably successful track record and that vast savings are easily within our reach.

Currently, several Federal departments, agencies, and other contracting authorities have already reaped substantial benefits from VE but its use has been sporadic and remains far below its potential.

The Systematic Approach to Value Engineering Act of 1993 would provide dramatic savings and results by requiring all Federal agencies to use VE. In order to ensure that value engineering is being used to its greatest potential, each agency would designate a senior official to oversee and monitor VE efforts. To ensure the greatest dollar value savings for the taxpayer, each agency would be required to use value engineering for all projects and programs in the top 80 percent of their budget. Also, annual reports to the Office of Management and Budget would be required by the agencies.

We have all heard America's cry for change. It is time for a more responsible Government, less Government waste and a better American economy. My bill is an important and firm step in the right direction and I hope that you will join me in supporting it.

A SPECIAL SALUTE TO MINNIE M. KENNY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. STOKES. Mr. Speaker, in just a few days, on January 10, 1993, a host of relatives, friends, and colleagues will gather at Martins Crosswinds in Greenbelt, MD, for a special "Thank You Salute" to Minnie McNeal Kenny. The tribute recognizes Minnie for her commitment to serving others and many acts of kindness over the years. I look forward to participating in this salute to a very special individual.

Minnie Kenny's commitment to helping others is longstanding. She is a civil rights pioneer who was responsible for the integration of schools, department stores, business establishments, and housing developments throughout the Washington metropolitan area. In addition, she served as a member of the Human Rights Commission.

Minnie Kenny has been a staunch advocate on behalf of women, promoting their equal rights and increased visibility in the business world and workplace. She served as president of the Patuxent Business and Professional

Women's Club. In addition, Minnie is a former member of the Health and Welfare Council of Central Maryland and served two terms as the legislative chairman of the Maryland Federation of Business and Professional Women's Clubs. She has worked tirelessly and given her time freely to benefit others.

Mr. Speaker, I am proud to note that Minnie Kenny's commitment to improving the lives of others extends to the workplace. For the past 42 years, she has enjoyed a distinguished career with the National Security Agency. From 1975 to 1981, Minnie served as the chief of the language and linguistics division within the Office of Techniques and Standards. In this capacity, she effectively established the Cryptologic Linguist Program, the Summer Language Program and designed the "Grow Your Own" Language Program.

During the period of 1982 to 1992, Minnie Kenny continued to contribute to the National Security Agency's language program. She was responsible for introducing computer assisted instruction into the classrooms of the National Cryptologic School. Minnie is also the founder of CALICO, the Computer Assisted Learning and Instruction Consortium, an international professional association of persons engaged in the teaching and exploitation of foreign languages.

Throughout her tenure with the National Security Agency, Minnie Kenny has directed her efforts to ensure the representation of minorities and the disadvantaged throughout the agency. Currently, she serves as director of Equal Employment Opportunity for NSA. In this capacity, Mrs. Kenny has helped the agency to fulfill its pledge to the advancement of women and minorities.

I recall that earlier when I chaired the Intelligence Committee, I was struck by the lack of minorities employed in key ranking and policy making positions throughout the intelligence community. When I discussed my concerns with her, Minnie accepted the challenge to lead efforts to rectify the situation. I am pleased that due to her efforts, NSA became one of the first intelligence agencies to include in its budget the funds to provide scholarships for minority and disadvantaged students. The NSA Undergraduate Training Program serves as a strong reminder of Minnie Kenny's efforts.

Mr. Speaker, I take special pride in paying tribute to Minnie Kenny. Here today to pay tribute to her are several younger employees of this agency who have been selected by her to serve fellowships in my congressional office in order to enhance their knowledge of government. In each case they have been outstanding individuals. Each of them consider her a role model in their own lives and hope to emulate her in service to NSA and to this Nation.

Mr. Speaker, I am pleased that those who know Minnie Kenny and have benefited from her tireless efforts are taking the time to show their appreciation by hosting this "Thank You Salute". I join them in paying tribute to Minnie Kenny for her strong commitment and dedication over the years. I am proud to be associated with this outstanding individual and I wish her much continued success.

LOCATE AND RECOVER LOST FEDERAL FUNDS

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. LEWIS of Florida. Mr. Speaker, financial mismanagement in Federal departments and agencies has resulted in the mistaken abandonment of unknown millions of taxpayer dollars in dormant Federal accounts lost in countless holding institutions.

One of my constituents, Mr. Dominick Lamonica, operates a private investigations firm that has located several of these abandoned Federal accounts in various holding institutions. He and other such finders have approached the Treasury Department offering to identify and locate these accounts for compensation.

A preliminary review by the General Accounting Office determined Congress would have to appropriate funds for the Department of Treasury to pay these finders. In other words, to track down the money the bureaucracy lost, we would need to give the bureaucracy more money. This is an insensible, redundant way to solve this problem.

Furthermore, once these Federal dollars are abandoned, regional laws compel private holding institutions like banks and credit unions to turn them over to the State or foreign nation in which they reside. Unless we can locate these accounts, these governments will continue to keep the Federal funds collected from the U.S. taxpayer.

Today I introduced legislation to empower the Treasury Department to simply pay collection fees from amounts recovered to private sector finders who have located unclaimed assets due the Federal Government, eliminating the need for a separate appropriation. Additionally, the bill contains a reporting provision to ensure congressional oversight of this process and identify those agencies guilty of the greatest mismanagement.

It is my intent that all recovered funds returned to the Treasury be used to reduce the Federal deficit, not as a mechanism to increase government spending in any area or program.

While we must find ways to prevent such mismanagement from reoccurring, this legislation offers a simple, effective, inexpensive method of curing the present problem without empowering the inefficient system that caused it.

ELECTIONS IN INDIA

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. HERGER. Mr. Speaker, I would like to draw my colleagues' attention to the elections of village councils from January 15–22, 1993, in Punjab, India, and we should all pay close attention to this process.

Sikh political parties are participating in these important elections, and in the interest

of democracy, we should urge that independent and impartial observers from the United States, the United Nations, and international human rights organizations be sent to observe these elections in order to prevent the intimidation of voters as was reported to have occurred in the February 1992 elections for the state assembly in Punjab, India.

Intimidation of voters in the February 1992 election was widely reported by Indian newspapers and international human rights organizations. In March-April 1992, most village councils and village mayors resigned to protest the continuing unrelenting human rights violations in Punjab under the new regime. The Indian Government is attempting to fill the resulting vacancies with their own people. It is important that observers be sent to ensure that the people of Punjab be able to exercise their right to vote and express their will.

I have been informed that pro-Sikh movement candidates are being intimidated in order to coerce them into withdrawing their candidacy. Some candidates have been arrested by the police and detained at undisclosed locations. This has happened in previous elections.

For these reasons, I urge that outside observers be sent to prevent human and civil rights violations and to ensure an honest and free election.

INTRODUCTION OF A CONSTITUTIONAL AMENDMENT TO ABOLISH THE ELECTORAL COLLEGE

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. WISE. Mr. Speaker, on this day, as the House of Representatives counts the votes cast by members of the electoral college, and as the House certifies officially the election of Bill Clinton as our next President, I am introducing a constitutional amendment which I hope will make this the last time the electoral college is used to elect the President of the United States.

The electoral college is both out-dated and unrepresentative. It no longer serves the purpose for which it was established. The electoral college system has permitted three Presidents to be elected who did not receive the highest number of popular votes. Although this has not happened for 100 years, I believe American voters should never be faced with that prospect again.

In early 1992 our Nation faced the distinct possibility that the electoral college would be deadlocked following the election. With the strong independent candidacy of Ross Perot, the American people stood face-to-face with two possibilities: That someone could be elected without getting more popular votes than the other candidates, or that the House of Representatives would be left to choose the President. Neither of those scenarios should ever happen, and as it turned out last year, neither did. But the possibility still exists for such a predicament in the future.

The electoral college completely ignores the preferences of millions of Americans who do

not cast votes for the candidate who wins their home State. In that sense, the system is already undemocratic. Further, if there are three or more strong contenders for President and the electoral college ends up deadlocked, the election of our country's President then becomes even more undemocratic as the selection process would go to a one-vote-per-State election in the House of Representatives.

The constitutional amendment which I propose today would abolish the electoral college and replace it with the direct, popular election of the President. As it stands now, members of the electoral college, whose names few people know and who are not directly elected by anyone, actually cast the votes that matter in determining the election of the President. My proposal would take the selection process out of their hands and place it where it belongs—directly in the hands of the American people.

When communications were slow and when the voting privilege was only extended to property owners, the electoral college may have served a purpose. But today, communications technology has given our citizens a wide range of ways to be informed on issues and current events. Now, we recognize voting as a right for all Americans and now we trust the people of America to choose their candidates for every other elected office in the land.

It is now time that we trust the people to vote directly for their President and give everyone's vote equal weight. Elections should not be determined in some indirect way by essentially unelected people through an essentially undemocratic method. It is also time that we eliminate the possibility that someone ever can fail to get the most votes from the people and still be elected President.

The Constitution is a great document and should not be tampered with lightly, but America's founders provided for a method to ensure that our Constitution stood the tests of time and could be amended to reflect the changing needs of the country. A similar amendment overwhelmingly passed this House 24 years ago, and it is time to pass it again.

Mr. Speaker, I urge my colleagues to endorse this amendment to the Constitution so that today may be the last time the electoral college elects the President of our great country.

REINTRODUCTION OF LEGISLATION REGARDING POLITICAL BROADCASTING

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. BLILEY. Mr. Speaker, today I am introducing legislation into the 103d Congress, as I did in both the 101st and the 102d Congresses, requiring each broadcast license to provide 8 free hours of advertising time to political parties. The Political Broadcasting Access Act of 1993 is an attempt to reform the campaign finance process by addressing the single handed most expensive component of anyone's campaign—the cost of broadcast advertising.

My proposal amends the Communications Act of 1934 by mandating limited free air time—over radio, broadcast, and cable TV—for political candidates who meet specific, objective requirements. Not only will this proposal assist future candidates running for public office by allowing them, regardless of their financial status, to reach the voter, but it will also ameliorate significantly the campaign spending quandary that candidates for the U.S. Congress continue to encounter.

As the cost of broadcast air time skyrockets, it has been estimated that these increases have resulted in a 40-percent increase in campaign costs. On the average, three-fourths of one's campaign funds are spent on advertising. But, for the broadcasters, these costs translate only into three-fourths of 1 percent of profits. Presently, the United States is the only democracy in the industrialized world that does not provide political candidates with some sort of free broadcast time for elections—I intend to change that.

The ability of an incumbent to get his or her message to the voter is the greatest advantage he or she has over their challenger. By leveling the playing field in this respect, my legislation will guarantee the poorest of candidates the opportunity to connect with the voter—a vital component to anyone's election bid.

The November 16, 1992 editorial in Roll Call named free air time for candidates as the single most important change in the funding system when discussing campaign reform. By itself, I do not believe that this legislation will bring about campaign reform, but I do believe any campaign reform package that does not contain it will be less than wholly effective.

PHILIPPINE SCOUT RETIREMENT PAY EQUITY ACT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation to redress a longstanding inequity in our treatment of a very important group of veterans whose vital service to this Nation has passed virtually unacknowledged. This bill would rectify the pay of World War II Philippine Scouts who bravely fought as part of the United States Army.

It is important to emphasize that the Philippine Scouts were not foreign soldiers; they were an integral unit coopted at a critical juncture into the United States Army. Created in 1901, the Scouts were an elite organization with a high esprit de corps. Never numbering more than 12,000 men, selection standards were extremely strict and membership is still honored among Filipinos.

At the onslaught of the war in the Pacific, when the Japanese attacked Pearl Harbor and invaded the Philippine Islands, these soldiers became the key to our entire South Pacific strategy. Against overwhelming odds, faced with superior numbers and equipment, devoid of air cover against constant bombings by the Japanese, and ravaged by malaria and beriberi, these men helped hold the Bataan Penin-

sula for 98 days. Over 1,000 went on to fight another 5 weeks in Corregidor. This determined resistance denied the Japanese an essential base for the projected thrust into the South Pacific. The enemy was also forced to retain a large army and naval force in the Philippines, which otherwise could have been deployed against Allied shipping of men and materials to Australia and New Caledonia from the United States and the Middle East.

Frankly, it was the Scouts' protracted defense of these islands that allowed the United States to recover from the first blows of the war and regroup for what would ultimately prove to be a successful counterattack. Their contributions and sacrifice have been duly noted in historical accounts of the war.

Gen. Douglas MacArthur described the Scouts as "excellent troops, completely professional, loyal, and devoted." When recruiting the Scouts, General MacArthur pledged, and I quote:

War is the great equalizer of men. Every member of my command shall receive equal pay and allowances based on the United States Army pay scale, regardless of nationality.

However, Philippine Scouts have never received their just compensation from the United States.

Last year marked the 50th anniversary of the fierce battle at Corregidor and the Bataan death march in the Philippines. Yet for those who fought under the command of General MacArthur in the heroic defense of Bataan and Corregidor against Imperial Japan and who survived the infamous Bataan death march and captivity in Japanese prison camps, these memories of the pain endured have not faded. During these historic events and throughout the war, the Philippine Scouts displayed selfless sacrifice rivaling any other military unit.

Despite the valiant services of the Philippine Scouts who fought and sacrificed side by side with American soldiers and despite the fact that the unit was fully incorporated into the United States Army, the Scouts received only a fraction of the regular pay received by their American counterparts. In fact, while an American private was earning \$30 per month during the war, a Philippine Scout with comparable rank serving the same amount of time was earning only \$9 for his exposure to the same hardships and dangers.

Mr. Speaker, the time has come for Congress to rectify this longstanding inequity in our Nation's treatment of this very special group of World War II veterans. The legislation which I am introducing today would equate the retirement benefits paid to former Scouts or their survivors equal with those which are paid to their American counterparts of the same grade and length of service. Several years ago, the Department of the Army estimated that the cost of adjusting retirement benefits for the remaining living Philippine Scouts would only be \$724,000 per year—a small price to pay for a commitment which has been ignored for over 50 years.

While the budgetary impact of this pay equalization is small, the symbolic value is immense. Congressional authorization of adjusted retirement benefits would be a meaningful demonstration of our gratitude for the

faithful and gallant service of the Philippine Scouts during World War II. I urge my colleagues to support this worthwhile measure.

For the convenience of my colleagues, the text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Philippine Scout Retirement Pay Equity Act".

SEC. 2. PHILIPPINE SCOUT RETIRED PAY EQUALIZATION.

The Secretary of the Army shall redetermine the retired pay of each person entitled to retired pay from the Department of Defense for service as a Philippine Scout during the period beginning on December 7, 1941, and ending on December 31, 1946, as if the rate of basic pay payable to such person at the time of retirement had been the rate of basic pay payable to any other member of the United States Army in the same grade and with the same length of service as such person. The redetermination of retired pay shall apply only for retired pay payable for months beginning on or after the effective date of this Act.

SEC. 3. PHILIPPINE SCOUT SURVIVOR BENEFIT ADJUSTMENT.

The Secretary of the Army shall adjust the base amount used to calculate survivor benefits under subchapter II of chapter 73 of title 10, United States Code, for each person entitled to survivor benefits as the survivor of a Philippine Scout who served during the period beginning on December 7, 1941, and ending on December 31, 1946, to reflect the redeterminations of retired pay made for such Philippine Scout under section 2. The adjustment of survivor benefits shall apply only for survivor benefits payable for months beginning on or after the effective date of this Act.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act.

REINTRODUCTION OF THREE TAX BILLS PASSED LAST YEAR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. STARK. Mr. Speaker, I rise today to reintroduce three bills which passed Congress last year. All three were noncontroversial measures which passed the House in July and were then incorporated into H.R. 11, the Revenue Act of 1992. Congress passed H.R. 11 last fall, but the bill was subsequently vetoed by President Bush for reasons unrelated to these provisions.

The issues addressed in these three bills are:

A modification on the full funding limitations for multiemployer pension plans (for more details, please see CONGRESSIONAL RECORD, February 6, 1991, page E431).

An accounting correction for personal service corporations (see the CONGRESSIONAL RECORD, November 15, 1991, page E3871).

A tax on the conversion of nonprofits to profit organizations (see CONGRESSIONAL RECORD, November 26, 1991, page E4183).

Mr. Speaker, these three reforms will address minor, but not unimportant shortcomings in the Tax Code. I look forward to their early passage by the 103d Congress.

CORRECTION OF A MISSTATEMENT

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. DE LUGO. Mr. Speaker, I wish to thank the Members of this House for voting yesterday to extend the vote in the Committee of the Whole to the Delegates from the territories and the District of Columbia. This expansion of democracy was a proud moment for the House.

I have taken to the well to correct a misstatement made a few minutes ago on the floor by a Member from the other side who said my constituents do not pay Federal taxes. For the record let me correct that: We do. We pay at the same rate and use the same forms under a system called the Mirror System. We pay identical to the people in his district or any other district on the mainland. So whenever you raise taxes on your constituents you raise taxes on mine. Consequently it is a mistake to say that I would have no interest or incentive to oppose a tax increase. I have the same incentive that the gentleman has.

THE ADVANCEMENT OF WOMEN IN SCIENCE AND ENGINEERING ACT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mrs. MORELLA. Mr. Speaker, in an effort to support women in our changing economy, I am introducing the Advancement of Women in Science and Engineering Act. Women account for nearly 46 percent of the U.S. work force; yet in the fields of science and engineering, they are grossly under-represented and face barriers in recruitment, retention, and advancement.

Women account for only 24 percent of the scientists and a mere 8 percent of our Nation's engineers. In these fields, the unemployment rate for women is two to three times higher than it is for men.

The American Medical Association reports that the number of women physicians has quadrupled in the last 20 years. At Harvard this past year, 54 percent of the applicants were women. Women account for 34 percent of medical school graduates, and only 17 percent of practicing physicians. This year, 54 percent of the doctors in the first year of residency for obstetrics and gynecology were women.

Women are under-represented in the higher echelons of the medical profession. There are no women serving as deans at U.S. medical schools. Women make up less than 10 percent of the top positions at the National Institutes of Health are held by women. While

women account for 19 percent of all pediatricians, only 3 percent of all surgeons are women.

According to a National Research Council report, the reason that women are leaving the science and engineering fields is directly related to the hostile workplace environment. Few policies, however, have been implemented to combat the problems women are facing in these occupations, which are traditionally dominated by men.

The Advancement of Women in Science and Engineering Act would set up a commission to study the barriers that women face in these fields. The commission would identify and examine the number of women in the science and engineering work forces and the specific occupations where they are underrepresented. The commission also would describe the practices and policies of employers relating to the recruitment, retention, and advancement of women scientists and engineers. The commission then would determine if these practices and policies are comparable to their male counterparts, and issue recommendations to Government, academia, and private industry based on successful programs.

The Advancement of Women in Science and Engineering Act passed the House during the 102d Congress, but was held up in the Senate. Speedy passage of this legislation will be a first step in countering the roadblocks for women in science and engineering, and will bring our Nation closer to creating a higher effective work force which, in turn, will promote economic prosperity.

REINTRODUCTION OF LEGISLATION REGARDING VETERANS' PREFERENCE

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. PENNY. Mr. Speaker, today I am reintroducing along with CHRIS SMITH of New Jersey, legislation granting veterans' preference in Federal hiring for all individuals who served on active duty during the Persian Gulf war regardless of their duty station. Currently veterans' preference is restricted to those receiving the Southwest Asia Service Medal which was awarded only to military personnel who served in Saudi Arabia, Kuwait, Iraq, other southwest Asian countries, or in the surrounding waters or air space, on or after August 2, 1990, and before the termination date of the Persian Gulf war.

This limitation of veterans' preference is unfairly restrictive and is inconsistent with past national policy. During the Vietnam era, for example, individuals who served more than 180 days on active duty during that period were eligible for veterans' preference. Eligibility was not based on a servicemember's duty station, but on the person's active duty service during wartime. This policy recognizes that all members of the military contribute to the effort of the entire force regardless of their individual assignments.

The bill I am reintroducing would extend veterans' preference to all veterans of the Per-

sian Gulf war period who served 24 months of continuous active duty, or the full period for which they were called or ordered to active duty. This is fair to all who served our Nation during the gulf war period and ensures that our national policy toward these veterans is consistent with the policy established for veterans of previous war periods.

The legislation is identical to H.R. 3764 introduced November 13, 1991. The Post Office and Civil Service Committee, which has jurisdiction over veterans' preference, held a hearing on this bill on October 1, 1992, so there was no time at the end of the 102d Congress to move the bill forward. In the interest of equity for our veterans, I am hopeful that my colleagues on that committee will act quickly on this legislation this year.

TRIBUTE TO BISHOP FRANK C. CUMMINGS

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Ms. BROWN of Florida. Mr. Speaker, it is my pleasure to be here today to honor Bishop Frank C. Cummings who led us in prayer earlier today. Bishop Cummings is the bishop for the 11th Episcopal District of Florida. The district includes all of Florida and the Bahamas. The district has 490 churches and 140,000 members.

Bishop Cummings has served the 11th District since July of last year. He came to the Sunshine State from the Northeast. The bishop received his undergraduate degree from Daniel Payne University in Birmingham, AL, and did his theological training at Pacific University. The bishop did additional graduate work at the University of California in Santa Barbara.

He is married to the former Martha Cauley. Bishop Cummings has one daughter and two granddaughters. I am told that another grandchild is on the way.

I am thrilled to welcome Bishop Cummings to Washington and am glad that he was able to lead today's invocation.

THE EDUCATIONAL REFORM AND FLEXIBILITY ACT OF 1993

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. DeFAZIO. Mr. Speaker, who better understands the needs of students in our home districts—managers at the Department of Education or our local school boards, teachers, and parents? While the answer is obvious, current law has tied the hands of local schools and teachers with miles of red tape.

Our public schools must have the freedom to reform themselves if we are ever going to improve our national educational performance. The teachers, parents, and administrators who deal with school children on a day-to-day basis are in the best possible position to iden-

tify students' educational needs. Why then does the Federal Government micromanage these local efforts?

Today I'm introducing the Educational Reform and Flexibility Act of 1993, or Ed-Flex, to put school reform within the reach of local education agencies. My bill would allow teachers, parents, school boards, and administrators to most effectively use Federal education reform dollars. It allows the Secretary of Education to grant waivers in chapter 1, chapter 2, the Eisenhower Math-Science Program, the Follow-Through Act, the youth programs under the McKinney Act, and the Carl Perkins Vocational Education Act. The bill would allow six States to participate in the program in its first year. The program would then be expanded to other States.

In Oregon, education leaders have proven that education funding flexibility works. The Oregon Department of Education, with the support of the State Legislature and the Governor, has launched a trailblazing educational reform agenda. In Oregon, a school district can ask the State to grant waivers of certain State regulations or laws if they prevent the school district from improving its educational program. Local school districts can determine for themselves if a longer school year makes sense, or if they want to implement tougher graduation requirements.

But Oregon's exciting educational reform plan is on a choke chain at the Federal level. The Federal Government needs to eliminate the red tape that binds reform-minded school districts to outdated rules and regulations. And then we need to back up these local efforts with real Federal financial commitment, instead of the chump change we've been tossing them for the last 12 years.

I urge my fellow Members of the House of Representatives to join me, and my colleagues from Oregon, in cosponsoring this commonsense legislation.

SIGNIFICANT ANNIVERSARY IN THE U.S. CONGRESS

HON. TILLIE FOWLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Ms. FOWLER. Mr. Speaker, this month marks a significant anniversary in the U.S. Congress that will probably pass largely unnoticed by all but a few congressional historians. It was 40 years ago this January that the Republican Party took control of the House of Representatives for the 83d Congress. Two years later, in 1955, the Democrats took over the leadership of the House and have held it ever since.

The Democratic Party has maintained single-party rule of the House of Representatives longer than Castro has ruled Cuba. Thirty-eight years of chairing every committee, spending every dime, setting every agenda, and writing every rule. You don't need to look any further than the rules passed by the leadership of the House this week to see the arrogance of power wrought by 38 years of Democratic control.

In a blatant power play, the Democrats extended voting privileges on the House floor to

the four Delegates and one Resident Commissioner from Guam, American Samoa, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia. It just so happens that all five are Democrats.

Previously, these delegates could only vote in committee. Under the new rules passed by the Democrats, they may now vote on 99 percent of the legislation considered on the House floor.

While the Republicans gained 10 seats in the 1992 elections, the Democrats still hold an incredible 82-vote advantage. By extending voting privileges to the formerly nonvoting delegates, the Democrats have effectively cut the GOP's 10-seat gain in half to 5.

As stated in the U.S. Constitution, the House of Representatives shall be composed of Members chosen every second year by the people of the several States. Not one of the delegates represent in any form a State as recognized by the Constitution.

It is incomprehensible to think that American Samoa, with a population of 47,000, could have the same effect on the outcome of legislation as the Fourth District of Florida with over 500,000 people. As well, territories such as the U.S. Virgin Islands, population 102,000, and Guam, population 133,000, will have the same rights as recognized States who pay taxes and are impacted by Federal law. This move by the Democratic leadership translates into representation without taxation and undermines the Constitution.

INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION ACT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. HALL of Ohio. Mr. Speaker, as chairman of the House Select Committee on Hunger, I am pleased to introduce the Individual Development Account Demonstration Act. This legislation authorizes the Treasury Department to implement a 5-year demonstration project that would provide incentives to a person with limited resources to accumulate enough savings to: First, buy his or her first home; second, go to college or receive long-term job training; third, start a small business; or fourth, set aside funds for retirement. I am pleased to introduce this legislation with the Hunger Committee ranking minority member, BILL EMERSON.

I am also pleased to report that President-elect Clinton supports this proposal.

This bill is the second of two asset development for the poor proposals I am introducing today. While the thrust of the first bill—the Microenterprise and Asset Development Act—is to remove the restrictions on asset accumulation by the poor, the idea behind the Individual Development Account Demonstration Act is to subsidize asset accumulation for the poor, just as the Federal Government does for the non-poor.

Mr. Speaker, America needs a new way of thinking about welfare. Traditional public assistance programs in America—which provide critically needed food, cash, health care, and

housing assistance—are humane and justifiable, and these important programs should be improved and expanded. But while such programs have sustained millions of low-income persons, too rarely have they made them strong. As a result, most low-income Americans remain in poverty, which is a drain on the Nation, a loss of human resources, and an assault on human dignity.

Poverty rates remain high and welfare dependency continues, in part, because current welfare theory has taken for granted that a certain level of income or consumption is necessary for one's economic well-being. However, very few people manage to spend or consume their way out of poverty. Economic well-being does not come through spending or consumption; rather, it is achieved through savings, investment, and accumulation of assets, for assets can: Improve economic stability, connect people with a viable, hopeful future, and improve the welfare of offspring.

The Federal Government spends more than \$100 billion per year to provide middle- and upper-income persons many incentives to accumulate savings and assets that is, home mortgage interest deductions and tax deductions for retirement pension accounts, but such incentives and benefits are beyond the reach of most low-income persons. Indeed, under current welfare policies, poor families must deplete most of their assets before qualifying for public assistance.

Federal antipoverty policy should therefore, Mr. Speaker, promote, not penalize, asset accumulation for the poor. I urge my colleagues to support this important legislation.

For the benefit of my colleagues, I have included a summary of the major provisions of the demonstration:

SUMMARY OF THE INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION ACT

Purpose. Demonstration projects (conducted by private, non- and for-profit organizations) will be established to determine: (1) the social, psychological, and economic effects of providing individuals with limited means an opportunity to accumulate assets and; (2) the extent to which asset-based welfare policy may be used to enable individuals with low income to achieve economic self-sufficiency.

Applications. Grants shall be awarded on a competitive basis. Successful applicants will have received financial commitments from the State and private entities to carry out the project and will have demonstrated, in the judgment of the Secretary, an ability to: (1) assist participants in achieving self-sufficiency through the establishment and use of IDAs and; (2) responsibly administer the project. Applications must be submitted no later than April 1, 1994. Approval will be no later than June 1, 1994, with the projects beginning on July 1 of that year.

IDA Reserve Fund. Each project participating in the demonstration would establish an IDA Reserve Fund which consists of Federal, State, local, corporate, and private contributions as well as any funds originating from a non-designated use of an IDA. From the Reserve Fund, deposit subsidies would be made directly into an IDA.

Persons Eligible to Participate. The participating organization shall determine who may participate in the demonstration, but in all cases the individual selected will be a member of a household whose income is not more than 200 percent of the Federal poverty

threshold and whose net worth is not more than \$20,000. Net worth is defined as the sum of the market value of assets owned by every member of the household minus liabilities owed by the household. Net worth (for purposes of this demonstration) excludes the first \$35,000 of home equity, equity in a vehicle, and equity in personal items (furniture, clothing, and jewelry).

Asset Tests in Other Programs. Funds in an IDA account (which are by definition restricted) shall be disregarded in determining eligibility for all means-tested public assistance programs.

General Oversight. A panel (established by the Secretary) composed of Federal and State officials, business leaders, and social policy innovators shall monitor the progress and provide general oversight of all of the demonstration projects. The panel will also develop general investment guidelines for amounts in IDAs and IDA Reserve Funds.

Evaluation. An independent research organization shall evaluate the demonstration projects, individually and as a whole. The research firm will be selected by the panel.

Authorization of Appropriations. Not more than \$100,000,000 for each of the fiscal years 1994-1998 are authorized to be appropriated to carry out the project.

Definition of IDA. An Individual Development Account (IDA) is an optional, earnings-bearing, tax-benefitted account in the name of one person. An IDA would be held in a licensed, Federally-insured financial institution. Amounts in an IDA can be withdrawn without penalty only for the following designated purposes: (1) first-home purchase; (2) post-secondary education (college/long-term training); (3) business development and; (4) retirement. An IDA can also be transferred without penalty to one's spouse or dependent for the same uses.

Contributions and Tax-Benefits. There is no limit on the amount of funds that may be deposited into an IDA, and deposits may come from a variety of sources. The amount allowable as a tax deduction for amounts paid into an IDA, however, shall not exceed \$2,000 per year (indexed for inflation), and shall be permitted for only the person in whose name the account has been established. (Married persons filing jointly could each take the full deduction, provided each is eligible.) Earnings on deposits to an IDA would also be exempt from taxation.

Withdrawals and Penalty for Non-Designated Use. Amounts withdrawn for a designated purpose will not be included in the gross income of the person in whose name the IDA has been established. Withdrawals from an IDA will be paid directly to the institution providing the designated service (e.g., to the mortgage provider for first-home purchase, to the university for post-secondary education). Withdrawals for any non-designated use (except in the case of death or disability) would: (1) trigger a 10 percent penalty; (2) require the inclusion in gross income of all amounts previously deducted or excluded; and (3) require the forfeiture of all deposit subsidies.

Deposit Subsidies. In order to stimulate savings of about \$2,000 per year per person for any of the designated purposes, deposits into an IDA would be matched in accordance with the table below. All matching amounts would be deposited directly into an IDA and would come from an IDA Reserve Fund established by the project participating in the demonstration.

Income ¹	Matching ratio		Maximum match
	Ratio	Percent	
50 percent or less	9 to 1	900	\$1,800

Income ¹	Matching ratio		Maximum match
	Ratio	Percent	
51 to 85 percent	5 to 1	500	1,650
86 to 125 percent	2 to 1	200	1,400
126 to 160 percent	1 to 2	50	700
161 to 200 percent	1 to 5	20	350

¹ Income of the individual as a percentage of the Federal poverty threshold.

INTRODUCTION OF YUGOSLAVIA WAR CRIMES LEGISLATION

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 6, 1993

Mr. WOLF. Mr. Speaker, today I am introducing a resolution which places the Congress on record in support of convening an international tribunal to consider war crimes in the former Yugoslavia.

Passage of this resolution is extremely important. It is important because, while the U.S. Congress is on record condemning the wartime atrocities in the former Yugoslavia, it is not on record in support of requiring those responsible for the brutal killing, rape, and torture to stand trial for their hideous deeds. Much has transpired since Congress adjourned last fall; new information brought to light daily making it clear that those being killed and tortured in Bosnia-Herzegovina are not simply casualties of war, rather they are the victims of a carefully planned campaign of terror.

The resolution I am introducing today is quite simple. It puts the Congress and America on record urging the President to do everything possible to bring to justice those responsible for the continuing death and destruction in the former Yugoslavia.

Mr. Speaker, the war in the former Yugoslavia has caused pain and bloodshed not seen in Europe since World War II. Last August, I visited the former Yugoslavia. I was in Bosnia, Voivodina, Serbia, Kosova, and Macedonia. I flew into Sarajevo on a United Nations relief flight and witnessed first-hand the fighting going on in Bosnia. I also saw the hopeless faces of hundreds of men, mostly Muslims, in a Serbian prison camp. In February last year, I also visited Croatia where civil war was also raging.

The number of casualties is truly staggering. Consider for a moment these facts: Thousands of innocent civilians have been injured, wounded and killed; as many as 50,000 women and girls have been brutally raped; as many as 70,000 are currently being held in squalid concentration camps; millions more are homeless or living as refugees throughout Europe.

These numbers grow every hour and what of the uncounted cost. Who does not remember the glistening jewel—Sarejvo—at the 1984 winter Olympic games? Who would recognize the devastation there today?

Since this tragedy began, dozens of ceasefire agreements have been reached between the warring sides. But every one of these pacts have been quickly broken before the ink was dry. What will happen when peace finally does come in the former Yugoslavia? Who will

be held responsible for the killings? For the violent rapes and the other torture? For the wholesale destruction of millions of homes and farms and businesses? Who is going to be held accountable for the destruction of this region of the world?

I am afraid that when peace is finally achieved, the international community may merely breathe a sigh of relief that the conflict has finally ended and quietly allow those responsible to simply vanish as faceless killers into history. We must not let that happen.

I am submitting for the RECORD several articles which highlight the need for a war crimes tribunal. Among them is a statement issued in December 1992, by Secretary of State Lawrence Eagleburger. I commend Secretary Eagleburger for this statement because in it, for the first time, a high level U.S. Government official places blame for the atrocities being committed in Bosnia-Herzegovina squarely on specific individuals. These are by no means the only people involved in this tragedy, but Mr. Eagleburger is right in pointing the finger directly at a half dozen officials who should be the first to appear before a war crimes court.

War is a horrible human tragedy. But war against noncombatants—women, children, and the elderly—is uniquely cruel. To let the barbarians responsible for these atrocities go free would be one of the greatest miscarriages of justice this world has ever known.

Mr. Speaker, the United States is truly a beacon for hope and morality in the world. Other nations are awaiting our leadership. The U.S. Congress must not let them down. I urge quick passage of this resolution and welcome the support of my colleagues.

STATEMENT BY SECRETARY OF STATE LAWRENCE S.
EAGLEBURGER

Ladies and Gentlemen, just under four months ago, an important milestone was reached with the convening of the London International Conference on the Former Yugoslavia. Commitments were made both by the parties to the Yugoslav conflict and by the international community itself—commitments to ensure unimpeded delivery of humanitarian aid; to lift the barbaric siege of cities; to halt all military flights over Bosnia-Herzegovina; to group all heavy weapons under UN monitoring; to open up and shut down all detention camps; to tighten sanctions against the aggressor; and to prevent the conflict's spread to neighboring regions and countries.

Come of those commitments have been kept, particularly in the area of sanctions monitoring, and in efforts to prevent a further widening of the war. Most importantly, London established a negotiating mechanism centered here in Geneva, which has brought the international community and the various ex-Yugoslav parties together on an ongoing basis, and which, thanks to the efforts of Cyrus Vance and Lord Owen, remains a viable forum for an eventual settlement of the war.

But let us be clear: we find ourselves today in Geneva because most of the commitments made in London have not been kept, and because the situation inside the former Yugoslavia has become increasingly desperate. Thus we meet to discuss how the international community will respond in order to force compliance with the London agreements, and thereby accelerate an end to the war.

It is clear in reviewing the record since London that the promises broken have been

largely Serbian promises broken. It is the Serbs who continue to besiege the cities of Bosnia; Serb heavy weapons which continue to pound the civilian populations in those cities; the Bosnian Serb air forces which continue to fly in defiance of the London agreements; and Serbs who impede the delivery of humanitarian assistance and continue the odious practice of "ethnic cleansing". It is now clear, in short, that Mr. Milosevic and Mr. Karadzic have systematically flouted agreements to which they had solemnly, and yet cynically, given their assent.

Today we must, at a minimum, commit ourselves anew to the London agreements by: Redoubling our assistance efforts, and continuing to press for the opening of routes for aid convoys, so that widespread starvation can be avoided this winter; strengthening our efforts to prevent the war's spillover, particularly in the Kosovo, which we will not tolerate; and tightening and better enforcing sanctions, the surest means of forcing an early end to the war.

But we must also do more. It is clear that the international community must begin now to think about moving beyond the London agreements and contemplate more aggressive measures. That, for example, is why my government is now recommending that the United Nations Security Council authorize enforcement of the no-fly zone in Bosnia, and why we are also willing to have the Council reexamine the arms embargo as it applies to the government of Bosnia-Herzegovina.

Finally, my government also believes it is time for the international community to begin identifying individuals who may have to answer for having committed crimes against humanity. We have, on the one hand, and moral and historical obligation not to stand back a second time in this century while a people faces obliteration. But we have also, I believe, a political obligation to the people of Serbia to signal clearly the risk they currently run of sharing the inevitable fate of those who practice ethnic cleansing in their name.

The fact of the matter is that we know that crimes against humanity have occurred, and we know when and where they occurred. We know, moreover, which forces committed those crimes, and under whose command they operated. And we know, finally, who the political leaders are to whom those military commanders were—and still are—responsible.

Let me begin with the crimes themselves, the facts of which are indisputable:

The siege of Sarajevo, ongoing since April, with scores of innocent civilians killed nearly every day by artillery shelling;

The continuing blockade of humanitarian assistance, which is producing thousands upon thousands of unseen innocent victims;

The destruction of Vukovar in the fall of 1991, and the forced expulsion of the majority of its population;

The terrorizing of Banja Luka's 30,000 Muslims, which has included bombings, beatings and killings;

The forcible imprisonment, inhumane mistreatment and willful killing of civilians at detention camps, including Banja Luka/Manjaca, Broko/Luka, Krajina/Prnjavor, Omarska, Prijedor/Keraterm, and Trnopolje/Kozarac;

The August 21 massacre of more than 200 Muslim men and boys by Bosnian Serb police in the Vlasica mountains near Varjanta;

The May-June murders of between 2,000 and 3,000 Muslim men, women and children by Serb irregular forces at a brick factory and a big farm near Broko;

The June mass execution of about 100 Muslim men at Brod;

And the May 18 mass killing of at least 56 Muslim Family members by Serb militiamen in Grbavci, near Zvornik.

We know that Bosnian Serbs have not alone been responsible for the massacres and crimes against humanity which have taken place. For example, in late October Croatian fighters killed or wounded up to 300 Muslims in Prozor; and between September 24-26, Muslims from Kamenica killed more than 60 Serb civilians and soldiers.

We can do more than enumerate crimes; we can also identify individuals who committed them:

For example, Borislav Herak is a Bosnian Serb who has confessed to killing over 230 civilians;

And "Adil and "Arif" are two members of a Croatian paramilitary force which in August attacked a convoy of buses carrying more than 100 Serbian women and children, killing over half of them.

We also know the names of leaders who directly supervised persons accused of war crimes, and who may have ordered those crimes. These include:

Zeljko Raznjatovic, whose paramilitary forces, the "Tigers", have been linked to brutal ethnic cleansing in Zvornik, Srebrenica, Bratunac and Grobnica; and who were also linked to the mass murders of up to 3,000 civilians near Broko;

Volislav Seseij, whose "White Eagles" force has been linked to atrocities in a number of Bosnian cities, including the infamous incident at Broko;

Drago Prca, Commander of the Omareka Detention Camp, where mass murder and torture occurred;

And Adem Delic, the camp commander at Colebici where at least 15 Serbs were beaten to death in August.

I want to make it clear that, in naming names, I am presenting the views of my government alone. The information I have cited has been provided to the UN War Crimes Commission, whose decision it will be to prosecute or not. Second, I am not prejudging any trial proceedings that may occur; they must be impartial and conducted in accordance with due process. Third, the above listing of names is tentative and will be expanded as we compile further information.

Finally, there is another category of fact which is beyond dispute—namely, the fact of political and command responsibility for the crimes against humanity which I have described. Leaders such as Slobodan Milosevic, the President of Serbia, Radovan Karadzic, the self-declared President of the Serbian Bosnian Republic, and General Ratho Mladic, Commander of Bosnian Serb military forces, must eventually explain whether and how they sought to ensure, as they must under international law, that their forces complied with international law. They ought, if charged, to have the opportunity of defending themselves by demonstrating whether and how they took responsible action to prevent and punish the atrocities I have described which were undertaken by their subordinates.

I have taken the step today of identifying individuals suspected of war crimes and crimes against humanity for the same reason that my government has decided to seek UN authorization for enforcing the no-fly zone in Bosnia, and why we are now willing to examine the question of lifting the arms embargo as it applies to Bosnia-Herzegovina. It is because we have concluded that the deliberate flaunting of Security Council resolutions and

the London agreements by Serb authorities is not only producing an intolerable and deteriorating situation inside the former Yugoslavia, it is also beginning to threaten the framework of stability in the new Europe.

It is clear that the reckless leaders of Serbia, and of the Serbs inside Bosnia, have somehow convinced themselves that the international community will not stand up to them now, and will be forced eventually to recognize the fruits of their aggression and the results of ethnic cleansing. Tragically, it also appears that they have convinced the people of Serbia to follow them to the frontlines of what they proclaim to be an historic struggle against Islam on behalf of the Christian West.

It is time to disabuse them of these most dangerous illusions. The solidarity of the civilized and democratic nations of the West lies with the innocent and brutalized Muslim people of Bosnia. Thus we must make it unmistakably clear that we will settle for nothing less than the restoration of the independent state of Bosnia-Herzegovina with its territory undivided and intact; the return of all refugees to their homes and villages; and, indeed, a day of reckoning for those found guilty of crimes against humanity.

It will undoubtedly take some time before all these goals are realized; but then there is time, too, though not much, for the people of Serbia to step back from the edge of the abyss. There is time, still, to release all prisoners; to lift the siege of cities; to permit humanitarian aid to reach the needy; and to negotiate for peace and for a settlement guaranteeing the rights of all minorities in the independent states of the former Yugoslavia.

But in waiting for the people of Serbia, if not their leaders, to come to their senses, we must make them understand that their country will remain alone, friendless and condemned to economic ruin and exclusion from the family of civilized nations for as long as they pursue the suicidal dream of a Greater Serbia. They need, especially, to understand that a second Nuremberg awaits the practitioners of ethnic cleansing, and that the judgment, and opprobrium, of history awaits the people in whose name their crimes were committed.

A PATTERN OF RAPE—A TORRENT OF WRENCHING FIRST-PERSON TESTIMONIES TELLS OF A NEW SERB ATROCITY: SYSTEMATIC SEXUAL ABUSE

About all she has left is her name, which she prefers to keep to herself, and the shocking memories of last July. That's when Serbian troops stormed the northwest Bosnian village of Rizvanovici, and S., a 20-year-old Muslim woman with a ponytail, was rounded up with 400 other women in the yard of a neighbor's house. Two soldiers, wearing camouflage uniforms and Serbian crosses around their necks, picked S. and her friend I. out of the crowd. "They brought us to an empty house and there they did what they wanted to do," says S. dully. "First we had to excite them and then we had to satisfy them." Afterward the Serbs traded partners. The girls had been virgins. "They were laughing at us," S. recalls. "They said we were pretty girls and [that] we saved ourselves for them."

Her ordeal didn't end there. After being raped and dumped at the yard, one of the soldiers came back to bring S. to his commander. "He told me to take off my clothes and to lie down on the bed," she says. "Then he did the same thing. He started to kiss and to caress me. He saw that I didn't feel any-

thing. I looked into his eyes and asked him if he had a wife. He said no. I asked him if he had a sister. He said he had one. Then I said, "How would your sister feel if somebody did the same thing to her that you are doing to me?" Then he jumped up and told me to get dressed and leave."

S., who now lives in a refugee center in northern Croatia, is a survivor of what may be the most sadistic violence to haunt Europe since the Nazi campaigns: "ethnic cleansing." Now, on top of documented cases of systematic torture and murder in Bosnia, come charges of a new Serb atrocity—mass rape. No one knows how many victims there are, though estimates range from 30,000 to 50,000 women, most of them Muslim. In the last few months, a torrent of wrenching first-person testimonies from refugees has emerged, suggesting widespread sexual abuse by Serb forces. They tell of repeated rapes of girls as young as 6 and 7; violations by neighbors and strangers alike; gang rapes so brutal their victims die; rape camps where Serbs routinely abused and murdered Muslim and Croat women; rapes of young girls performed in front of fathers, mothers, siblings and children; rapes committed explicitly to impregnate Muslim women and hold them captive until they give birth to unwanted Serbian babies.

Many reports are unconfirmed, and some may never be independently corroborated. But as anecdotal evidence piles up, Western media and women's groups are pressuring their governments to take some kind of action. So far it has resulted in little more than intelligence gathering by the United States and the European Community. The U.N. Security Council, citing "massive, organized and systematic detention and rape," voted unanimously on Dec. 18 to condemn "atrocities committed against women, particularly Muslim women, in Bosnia and Herzegovina." In blithe defiance of international outrage, the Serbs continue to attack Bosnian towns.

Do the Serbs have a deliberate policy of rape? Have they, as Bosnian Foreign Minister Haris Silajdzic alleges to Newsweek, used rape in the "systematic humiliation and genocide of the Bosnian people"? U.S. government analysts haven't yet uncovered anything as obvious as a speech or direct order by a Serbian leader calling on troops to violate Muslim women. But there does seem to be a widespread pattern of on-the-ground commanders encouraging—or even ordering—their men to rape. The testimonies of so many victims and witnesses, and of some captured Serb perpetrators, have a consistency that cannot be accidental. "It's hard to believe that all these Serbian men, no matter how animalistic you think human nature is, would suddenly get it in their heads to find a 7-year-old girl and rape her," says the lead State Department researcher. Rape is an integral part of ethnic cleansing, of eradicating entire areas of their historic Muslim populations through brutal intimidation, expulsion and outright murder. In such Bosnian towns as Breko, Bjeljina, Kljuc, Sanski Most, Prijedor, Kotor Varos, Zvornik, leading citizens—anyone who owned a business, participated in the Party of Democratic Action, held a university degree—were hunted down and liquidated. The rest of the male population was packed off to the prison camps. Rape clearly was the coup de grace delivered to tens of mortally wounded towns, a way of ensuring that women would never want to return to their homes.

For 12-year-old Vasvija, the terror began after she was evicted from her village of

Jelevic in August. During her first night in Partizan Hall, a Serb-run detention camp in the nearby eastern Bosnian town of Foca, two soldiers picked her from among the 70 detainees, all women, children and elderly civilians. "They brought me to a flat, an empty flat," she says, a single tear running down an otherwise passive face. "They raped me." Both soldiers? "Both." Over nine consecutive nights, Vasvija endured the same hideous treatment at the hands of different men. Once she was taken out with her mother and another inmate. They were all raped by the same Serbian soldier. Exchanged on Sept. 17 for Serb prisoners, Vasvija, her siblings and her mother now live in a refugee center near Sarajevo. No one has heard from her father, who was beaten and dragged off to a different prison camp when the Serbs overran Jelevic.

How many women are victims of rape? The Bosnian government commission on war crimes in Sarajevo claims that there are 30,000; the Ministry for Interior Affairs goes as high as 50,000 women. When pressed, Bosnian officials concede that their estimates are extrapolations based on a relatively small number of testimonies. There's no procedure for reporting such crimes and little willingness by victims to come forward. Battered by fear and shame, most survivors keep their stories to themselves. "They have been brought up in the Islamic spirit," explains Dr. Muhamed Sestic, chief of the neuropsychiatric department at the hospital in Zenica, in central Bosnia. "Sexual intercourse is a very serious act, no matter if it's done with or against the will of the woman." Families, he says, often conceal rape to spare a woman from marrying beneath her station—or to keep the knowledge from her husband. Muhamed Sacirbey, leader of the Bosnian Mission to the United Nations, has a grimmer explanation of the relative paucity of confirmed reports: "We believe many of the women who've been raped have been murdered. But a thorough search can't yet be conducted of the victims' whereabouts." The Serbian forces after all, still occupy 70 percent of Bosnia.

Proving mass rape is difficult. No allegation is so emotionally charged—or so susceptible to exaggeration and propaganda. "It will be years before the full picture of what has transpired emerges," reports a U.S. government specialist. "When we finally can survey the interior of Bosnia, I think we'll find a mass grave associated with each and every camp and village that was ethnically cleansed. And in every one of them will be women who were raped."

The attempt to pin down numbers enrages some advocacy groups. "What happens to men is called politics, what happens to women is called culture," says Gloria Steinem. She has a point: rape has historically been treated as an incidental atrocity of war. Along with groups like the International League for Human Rights and the Center for Reproductive Law & Policy, the Ms. Foundation has labored to place rape in Bosnia at the center of international attention. Many organizations hope to provide psychological support to rape survivors. But a chief aim is to prosecute war criminals. Says Steinem: "These people must be held responsible."

But sorting out "these people" won't be easy. In his call for a war-crimes trial, Secretary of State Lawrence Eagleburger lumped together the chief architects of a Greater Serbia—including Serbian President Slobodan Milosevic and Radovan Karadzic and Ratko Mladic, the political and military

leaders of the Bosnian Serbs—with low-ranking henchmen like Borislav Herak. A 21-year-old Serb laborer from Sarajevo, Herak admits to raping seven Muslim women and to killing two of his victims in addition to the 18 murders to which he has already confessed. "We were ordered to rape so that our morale would be higher," he says from a military prison in the Bosnian capital. "We were told we would fight better if we raped the women." He claims that he and fellow soldiers frequented the Sonja Cafe—one of several alleged "rape camps" outside Sarajevo—which maintained a population of 70 Muslim women and girls; those who were killed were quickly replaced.

Entire villages, such as Miljevina in eastern Bosnia, may have been converted to rape camps. About 100 people, "all young Muslim women and girls, were raped," says a 20-year-old named Aida. Her attacker was Dragan J., a Serb policeman and neighbor, who excused his behavior, she says, on the ground that "It is war, you can't resist, there is no law and order." Rasema, a 33-year-old mother, offers a similar account. She claims that her assailants raped her in front of her two girls. When she resisted, they threatened, "We will cut out your teeth! Do you want us to slaughter your children, to watch us cutting them into pieces, piece after piece?" In his own defense, one attacker told Rasema, "I have to do it, otherwise they will kill me."

He may have been telling the truth. Two young Serb deserters, Slobodan Panic and Cvijetin Maksimovic, now being held in a prison in Orasje, Bosnia, told Newsweek they were ordered to rape and murder for the amusement of their commander in Brcko, in northeastern Bosnia, last May. Panic says he balked when two battered women, each about 18, were brought to him in a room in a warehouse where 500 to 600 civilians were imprisoned. Serb soldiers "said they'd kill me if I didn't" rape them, he recalls, insisting that he "only did a little" to his screaming victims, not consummating the act. Three other women were dragged out for the same humiliating display. During these episodes, Panic says, soldiers stood around in a circle and laughed. Then they hauled two badly beaten Muslim prisoners before Panic and handed him a gun. "I said, 'I can't, they've never done anything to me,'" he remembers. "'You have to or else we'll kill you,'" Panic says he was told. He shot each man in the chest. Two more male prisoners appeared. A soldier handed Panic a knife. "Butcher them," he commanded. When Panic protested, the soldier replied, "I'll show you how it's done." Then, holding Panic's hand around the knife handle, he seized the man by the hair, jerked back his head and cut his throat.

Death, at least, brings an end to suffering. Rape victims who became pregnant relive their horror every day. Sofija, a 30-year-old Muslim, was released from a school turned prison camp in the village of Parzevic in mid-September, after being raped every night for six months by five or six different Serb soldiers. Now she is hiding from her family in a cold Sarajevo hospital, tormented by the thought of the unwanted child growing inside her. "I do not want to see the baby," the mother of two says without emotion. "I will not feed it. I do not want anything to do with it." Her roommate says that Sofija talks in her sleep every night, debating whether to kill the baby when it arrives in mid-January. Somewhere in Sarajevo are 12 other pregnant women and girls from the same village as Sofija who were similarly

raped and held until long past the time for a safe abortion. Earlier release doesn't guarantee relief: a 1978 Yugoslav law allows gynecologists to perform abortions only up to the 10th week of pregnancy; thereafter, cases are referred to a hospital ethics commission which, in Roman Catholic Croatia, home to 400,000 Bosnian refugees, may be more inclined to put the babies up for adoption.

Rape is the ultimate act in the Serbs' program of annihilation. They have robbed countless civilians of their possessions, their land, their lives and their dignity. Bosnia will be haunted by hundreds, if not thousands, of Serbian children forced on unwilling Muslim mothers. The Serbs do seem to be winning their ugly war. But their crimes have guaranteed that Greater Serbia will be an international pariah for years to come.

WHERE THE WORLD CAN DRAW THE LINE

Is there any way to stop Serbian atrocities in Bosnia? So far, the Serbs have resisted an international blockade and a global outcry. They have ignored a United Nations ban on flights by Serbian warplanes over Bosnian territory. The no-fly zone may not do the poor Bosnians much good, but that is where George Bush, in the valedictory days of his presidency, wants to draw the line. He hopes an aerial crackdown on the Serbs will keep their ethnic aggression in check, even if it cannot roll back their conquests. The trouble is, Bush's allies keep dragging their feet.

The administration hopes for a U.N. Security Council resolution this week authorizing military enforcement of the often flouted flight ban. But a senior State Department official complains: "Our British friends are wimping again. So are the French—and it's their goddamned resolution." The British wanted a 30-day delay in enforcing the ban, which would allow them to equip their 2,400 peacekeeping troops in Bosnia with heavy weapons as protection against reprisals threatened by Serbs. That long a delay would take some pressure off Serbia. It also would "leave it to [Bill] Clinton to blow the first Serbian helicopter out of the sky," said the Bush adviser, "and that would be terribly unfair."

France wanted to limit the enforcement by allowing allied warplanes to shoot down only the specific Serbian violators of Bosnian airspace. The Pentagon said it needs authorization to take out support facilities in Serbia itself, including air bases, communications gear and fuel supplies. France also wanted to put the entire operation under U.N. command, an arrangement that the United States, which would supply the largest share of the military assets, simply would not accept.

Washington believes that quick and firm action is needed to avert a repressive move against Kosovo, a Serbian province whose population is 90 percent ethnic Albanian. Last week Serbian President Slobodan Milosevic, the nationalist who inspired the attacks on Bosnia, claimed a resounding electoral victory over Prime Minister Milan Panic, the Belgrade-born California millionaire who had campaigned on a peace platform. Election monitors from the Conference on Security and Cooperation in Europe (CSCE) said the vote was "riddled with flaws and irregularities." But far-right nationalists also did well in the election, suggesting that many Serbs endorse "ethnic cleansing." One of the winners was Zeljko Raznatovic, leader of a Serbian paramilitary group in Kosovo.

Newsweek has learned that, in hopes of heading off a crackdown on Kosovo, Secretary of State Lawrence Eagleburger considered a trip to Belgrade to confront Milosevic, a former communist official he got to know well during his years as U.S. ambassador to Yugoslavia. An allied source quoted Eagleburger as saying he wanted to see Milosevic and "shake my fist in his face." But the secretary scrubbed the trip

after he and Bush decided that a high-profile visit would only harden Milosevic's defiance.

Meanwhile, administration officials are keeping in touch with Clinton's foreign policy advisers, observing a careful distinction between "informing" them and "consulting" them. Clinton advocates enforcing a no-fly zone over Bosnia and supports other limited uses of force, especially from the air, to defend the former Yugoslav republic. Sources say Clinton's vice president, Al Gore, met quietly in Washington last week with Haris Silajdzic, Bosnia's foreign minister.

Russian Tilt: Short of bombing Serbia's infrastructure, the Bush administration sees no sure way to restrain Milosevic. A Serbian purge of Kosovo could draw other Balkan countries into a widening war. But nationalism is complicating the effort to find a solution at the United Nations. Hard-line nationalists in Moscow are demanding a tilt toward Serbia, a traditional Russian ally. It's by no means clear that the Russians would veto military action against Serbia, but cooperating with Washington could cost embattled President Boris Yeltsin some scarce political capital. And a senior administration official worries that "If Russia's foreign policy turns back, all bets are off. The U.N. and the CSCE, as instruments of peacemaking or peacekeeping in the post-cold-war era, are finished." It hasn't yet come to that, but the idea of a "new world order," George Bush's loftiest legacy, is fading fast.

WILL THERE BE "A SECOND NUREMBERG"?

A second Nuremberg is in store for the practitioners of "ethnic cleansing," declared U.S. Secretary of State Lawrence Eagleburger, naming 10 candidates for prosecution as war criminals, including Serbian President Slobodan Milosevic. The United Nations Security Council, he noted, has created a five-member Commission of Experts to investigate war crimes in the Balkans, the first such body since 1943, when the World War II Allies began assembling evidence against the Nazis. Since October, the five have been poring through a six-foot stack of detailed reports on atrocities in the Balkans—"some of the worst things you can imagine," in the words of one of those experts, De Paul University law professor Cherif Bassiouni. It all sounds deadly serious. But what are the odds that Milosevic or anyone else in the former Yugoslavia will be hauled before a tribunal?

Long at best. In theory, the world community has plenty of prosecutorial tools to use in upholding the laws of war. And the end of the cold-war rivalry appears to be broadening the constituency for a muscular defense of human rights. But huge obstacles remain. As a practical matter, documenting war crimes in the Balkans would be far more difficult than building a case against the Nazis was, because the Nazis kept good records and there was a clear chain of command. Then there is politics: many U.N. members fear that creating a tribunal to prosecute atrocities in the Balkans could lead to the investigation of human-rights abuses in their own countries. Some human-rights activists predict that the threat of prosecution will eventually be bargained away as part of a peace settlement in the Balkans. The United Nations, they charge, is merely posturing. "We are terribly frustrated," one member of the U.N. commission told *Newsweek*. "It's a big game."

The laws are clear enough. Any case against Milosevic or the others would rest on "grave breaches" of international agreements dating to 1907, when the Hague Convention prohibited attacks on undefended civilian targets. That basic principle was elaborated in the Geneva Conventions of 1929 and 1949, which set up strict guidelines for the treatment of prisoners of war and civilians caught in war zones; among its many provisions are prohibitions on the transfer of civilian populations and "outrages against personal dignity." In addition, a separate Genocide Convention, adopted in 1951, bans acts committed "with intent to destroy, in

whole or in part, a national, ethnical, racial or religious group, as such" and requires the United Nations to take "appropriate" action to stop it. Reports on "ethnic cleansing" provide a powerful case that violations of all these conventions are rife.

But fully investigating a crime is far different from compiling allegations. And what the United Nations has created is the shell of an investigative force—without a staff, budget or any clear authority to do more than shuffle papers. "It's a question of political will," said one member. "I think they're hoping that the crisis will go away." Telford Taylor, one of the chief Nuremberg prosecutors, predicts that "the outcome will depend much more on political developments than on getting out the books on the laws of war." Ultimately, what produced the Nuremberg judgment was an Allied victory in World War II: the victors set up their own tribunal. And in the Balkans, so far it's the Serbs who are winning.

CRIMES WITHOUT PUNISHMENT

(By Bruce W. Nelan)

Brutal crimes are being committed in Bosnia and Herzegovina, and anyone watching television can see the gruesome effects every day. War is not pretty, but it has its rules. Whenever armies torture or murder civilians, imprison them in concentration camps or drive them off the land, when they burn houses, wantonly shell cities and rape women, they are committing war crimes.

International law sometimes seems abstruse, but it is absolutely clear on this issue. A shooting war is no excuse for mistreating civilians or military prisoners. The legal precedents were set at the trials of major war criminals in Nuremberg and Tokyo after World War II. The underlying principles were endorsed by the U.N. General Assembly and the U.N. International Law Commission and codified in the fourth Geneva convention in 1949.

"There is no question about the fact that war crimes have occurred in the former Yugoslavia," says Adam Roberts, professor of international relations at Oxford University and a leading expert on the subject. "The Geneva conventions have been obviously and massively violated." So when U.S. Secretary of State Lawrence Eagleburger said in Geneva last month that "crimes against humanity have occurred," he was simply stating a fact.

But what does the West intend to do about it? The U.N. Security Council has deplored "grave breaches of international humanitarian law" in Bosnia and Herzegovina time and again. Eagleburger took it a step further, warning the criminals of "a second Nuremberg" and linking specific men to the crimes: four Serbs, two Croats and a Muslim. He also named three political leaders, including Serbian President Slobodan Milosevic, as bearing special responsibility. Yet there are no signs that any of this is more than the rhetoric of outrage. Two of the men Eagleburger fingered are to fly to Geneva this month at U.N. expense to talk peace with Bosnian leaders.

Appalling crimes have been committed, but proving that a particular suspect is guilty of a specific atrocity, as is legally required, will be difficult. The Nuremberg tribunal was aided greatly by meticulous Nazi record keeping; no such paper trail of official orders and reports is likely to turn up in Bosnia. And if solid indictments are eventually prepared, no court exists to try such cases. Even more difficult, there is no way to arrest the suspects. "No one knows where this will lead," says a Western diplomat in Belgrade, "but we have crimes here of such a scale that you can't just wash your hands of them."

A second Nuremberg may not be possible, but the U.N. is on a path that could lead to trials. The Security Council last October authorized a commission of legal experts from five countries to document war crimes in Yugoslavia. Secretary-General Boutros Boutros-Ghali said he hoped the process thus

begun would end by creating an appropriate court to judge the accused. The expert commission has already received 3,000 pages of testimony on war crimes in Bosnia from governments, aid organizations and individuals, mostly refugees. After analyzing the information, the experts will report to Boutros-Ghali by the end of this month. The next step will be up to the Security Council.

Legal scholars believe that a special tribunal, rather than any single nation's courts, would be the appropriate venue. Says Jochen Frowein, of the Max Planck Institute for International Law in Heidelberg: "A Security Council resolution setting out in detail how existing provisions on war crimes shall be applied is the only promising avenue."

There the process would probably break down, for the suspects are not in the U.N.'s hands. Even if the panel of experts reports the crimes against humanity in all their enormity and the Security Council establishes a proper tribunal, the criminals could well remain unfettered in Bosnia, Serbia and Croatia. Short of a military invasion from the West, there is no obvious way to find and detain them.

With such a dead end likely, many experts are skeptical about how serious Eagleburger and the U.S. government are when they speak of war crimes. Some critics believe that Washington is raising the issue to mask its unwillingness to use force against the criminals in Yugoslavia. The public charges, says Rosalyn Higgins, a professor of international law at the London School of Economics, reflect "impotence or inability for political reasons to act."

One way to take action, if the accused cannot be delivered to an international tribunal, would be to try them in absentia. Those found guilty would risk arrest if they ever went abroad. Even without a formal trial, the accused will have to think twice about leaving home. The crimes are of "universal jurisdiction," which means that every country is entitled to prosecute offenders found within its borders. And there is no statute of limitations on these crimes.

But the skeptics may be right. Since Eagleburger named names last month, the U.S. has made no effort to follow up or press for quick action to create a tribunal. That is true even though Washington is sitting on intelligence estimates that indicate 70,000 people—five times the number mentioned in public—are being held under intolerable conditions in concentration camps in Bosnia and Serbia. Those camps' lines of command, according to intelligence reports, lead straight to Belgrade, the Serbian capital. But the West seems so embarrassed at what it has recently discovered in the former Yugoslavia that it does nothing about it.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, January 7, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 8

- 9:30 a.m.
Governmental Affairs
To hold hearings to examine the new administration's recommendations and reports relating to Federal policy and management.
SD-342
- Joint Economic
To hold hearings on the employment-unemployment situation for December.
SD-628

JANUARY 11

- 9:30 a.m.
Governmental Affairs
To hold hearings on the prospective nomination of Leon E. Panetta, of California, to be Director, Office of Management and Budget.
SH-216
- 10:00 a.m.
Environment and Public Works
To hold hearings on the prospective nomination of Carol M. Browner, of Florida, to be Administrator of the Environmental Protection Agency.
SD-106

JANUARY 12

- 9:30 a.m.
Governmental Affairs
To continue hearings on the prospective nomination of Leon E. Panetta, of California, to be Director, Office of Management and Budget.
SH-216
- 10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the prospective nomination of Henry Cisneros, of Texas, to be Secretary of Housing and Urban Development.
SD-628
- Labor and Human Resources
To hold hearings on the prospective nomination of Richard Riley, of South Carolina, to be Secretary of Education.
SD-430
- 2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on Indian housing and related facility needs.
SR-485

JANUARY 13

- 9:30 a.m.
Environment and Public Works
To hold hearings on the prospective nomination of Frederico Pena, of Colorado, to be Secretary of Transportation.
SD-406
- Governmental Affairs
To hold hearings on the prospective nomination of Alice M. Rivlin, to be Deputy Director, Office of Management and Budget.
SD-342
- 10:00 a.m.
Foreign Relations
To hold hearings on the prospective nomination of Warren M. Christopher, of California, to be Secretary of State.
SH-216

- 2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Warren M. Christopher, of California, to be Secretary of State.
SH-216

JANUARY 14

- 10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the prospective nomination of Mike Espy, to be Secretary of Agriculture.
SD-138
- Foreign Relations
To continue hearings on the prospective nomination of Warren M. Christopher, of California, to be Secretary of State.
SH-216

- 2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Warren M. Christopher, of California, to be Secretary of State.
SH-216

JANUARY 19

- 10:00 a.m.
Foreign Relations
Business meeting, to consider the prospective nomination of Warren M. Christopher, of California, to be Secretary of State.
S-116, Capitol

JANUARY 21

- 10:00 a.m.
Foreign Relations
To hold hearings on the prospective nomination of Madeleine K. Albright, of the District of Columbia, to be the U.S. Representative to the United Nations, with the rank of Ambassador, and the U.S. Representative in the Security Council of the United Nations.
SH-216
- 2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Madeleine K. Albright, of the District of Columbia, to be the U.S. Representative to the United Nations, with the rank of Ambassador, and the U.S. Representative in the Security Council of the United Nations.
SH-216
- Select on Indian Affairs
To hold hearings on the prospective nomination of Bruce Babbitt, of Arizona, to be Secretary of the Interior.
SR-485

JANUARY 22

- 10:00 a.m.
Foreign Relations
To hold hearings on the prospective nomination of Clifton R. Wharton, Jr., of New York, to be Deputy Secretary of State.
SH-216
- 2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Clifton R. Wharton, Jr., of New York, to be Deputy Secretary of State.
SH-216

JANUARY 26

- 9:30 a.m.
Governmental Affairs
To hold an organizational meeting to consider pending committee business.
SD-342

- 10:00 a.m.
Select on Indian Affairs
To hold an organizational meeting, to consider proposed legislation requesting certain funds in operating expenses, and other pending committee business.
SR-485

- 10:30 a.m.
Foreign Relations
Business meeting, to consider the prospective nominations of Clifton R. Wharton, Jr., of New York, to be Deputy Secretary of State, and Madeleine K. Albright, of the District of Columbia, to be the U.S. Representative to the United Nations, with the rank of Ambassador, and the U.S. Representative in the Security Council of the United Nations.
S-116, Capitol

JANUARY 28

- 9:30 a.m.
Governmental Affairs
To hold hearings on proposed legislation to redesignate the Environmental Protection Agency as the Department of Environmental Protection, an executive agency.
SD-342

FEBRUARY 2

- 9:30 a.m.
Governmental Affairs
To hold hearings to examine performance measurement in Federal programs.
SD-342

FEBRUARY 4

- 9:30 a.m.
Governmental Affairs
To hold hearings to examine the General Accounting Office analysis of TRIAD cost effectiveness.
SD-342

FEBRUARY 23

- 9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of the Disabled American Veterans.
345 Cannon Building

FEBRUARY 25

- 9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Blinded Veterans of America, the Military Order of the Purple Heart, the Jewish War Veterans, and the Retired Officers Association.
345 Cannon Building

MARCH 2

- 9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of the Veterans of Foreign Wars.
345 Cannon Building

MARCH 31

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of AMVETS, the Veterans of World War I, the Vietnam Veterans of America, the American Ex-Prisoners of War, and the Non-Commissioned Officers Association.

345 Cannon Building